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Government Publications

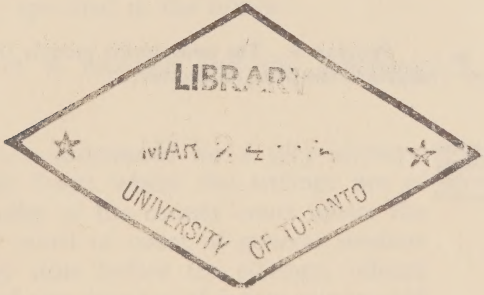
BILL 1 **Government Bill**

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

108

An Act to amend The Juries Act, 1974

THE HON. J. T. CLEMENT
Attorney General



TORONTO
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Explanatory Notes

Section 1. The section amended requires the sheriff to complete and certify the jury roll before the 31st day of December. The amendment permits the local judge of the High Court to extend this time.

Section 2. The amendment removes the requirement that the panel list of jurors be sent by the sheriff to the local registrar of the Supreme Court. The requirement is redundant as the list is also sent to the Registrar of the Supreme Court.

Section 3. The amendment enables the sheriff to use his own judgment where the Crown attorney or court clerk certifies no jury cases and the other does not so certify and the sittings includes both civil and criminal trials.

Section 4. The amendment permits the sheriff to use jurors who are surplus to one panel on another.

BILL 1 **1975**

An Act to amend The Juries Act, 1974

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 9 of *The Juries Act, 1974*, being chapter 63, is amended by striking out "delivery" in the sixth line and inserting in lieu thereof "certification". s. 9, amended

2. Section 20 of the said Act is amended by striking out "or to the local registrar" in the fifth line. s. 20, amended

3. Subsections 3 and 4 of section 23 of the said Act are repealed and the following substituted therefor: s. 23 (3), re-enacted; s. 23 (4), repealed

(3) Subject to subsection 5, where, upon receipt of such notice it appears to the sheriff that the attendance of jurors is not required or not required until a later date, the sheriff shall forthwith by registered mail or otherwise, as he considers expedient, notify in the form prescribed by the regulations each person summoned to serve as a juror that his attendance at the sittings is not required or is not required until the day specified in the notice. Notice to jurors

4. Section 26 of the said Act is repealed and the following substituted therefor: s. 26, re-enacted

26.—(1) Where jurors are summoned for a jury sittings, a local judge of the High Court where the sittings are of the Supreme Court or a judge of the county court where the sittings are of the county court or court of general sessions of the peace may, at any time before the sittings, release from or postpone service of any number of jurors summoned for the sittings. Release of jurors before sittings

(2) The judge presiding at the sittings may release from or postpone service of any number of jurors summoned for the sittings. Release during sittings

Transfer to another panel

(3) Jurors released from service at a sittings under this section may be resummoned by the sheriff for service at any other sittings, whether of the same or any other court, held concurrently with or immediately following the sittings from which they were released.

Constitution of panel

(4) Where jurors have been released from service or their service has been postponed under this section, the remaining jurors constitute the panel, and jurors recalled or resummoned under this section form part of the panel to which they are added.

s. 40 (3), re-enacted

5. Subsection 3 of section 40 of the said Act is repealed and the following substituted therefor:

When fees payable

(3) A juror is not entitled to fees or expenses in respect of days that he does not or is not required to attend.

s. 42 (3) (*a*), amended

6. Clause *a* of subsection 3 of section 42 of the said Act is amended by striking out "7" in the second line and inserting in lieu thereof "5".

s. 44 (2), amended

7. Subsection 2 of section 44 of the said Act is amended by striking out "or articled clerk" in the first and second lines.

Commencement

8. This Act comes into force on the day it receives Royal Assent.

Short title

9. This Act may be cited as *The Juries Amendment Act, 1975*.

SECTION 5. The amendment provides generally for the rule stated therein as to payment of jurors. This permits the omission of specific references in section 23 (3) and 26 as re-enacted in this Bill.

SECTION 6. The section amended makes it an offence for a person, without reasonable excuse, to fail to complete and mail the return that determines eligibility as a juror. The amendment corrects an erroneous reference intended to be the provision requiring the return.

SECTION 7. The provision amended provides for disbarment of solicitors and students guilty of contempt of court for tampering with jurors. The inclusion of articled clerks is obsolete and inappropriate and the amendment deletes the reference.

An Act to amend
The Juries Act, 1974

1st Reading

March 11th, 1975

2nd Reading

3rd Reading

THE HON. J. T. CLEMENT
Attorney General

(*Government Bill*)

1975

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BILL 1

Publications

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to amend The Juries Act, 1974

THE HON. J. T. CLEMENT
Attorney General



TORONTO
PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

BILL 1 **1975**

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1. Section 9 of *The Juries Act, 1974*, being chapter 63, is amended by striking out "delivery" in the sixth line and inserting in lieu thereof "certification". s. 9, amended

2. Section 20 of the said Act is amended by striking out "or to the local registrar" in the fifth line. s. 20, amended

3. Subsections 3 and 4 of section 23 of the said Act are repealed and the following substituted therefor: s. 23 (3), re-enacted; s. 23 (4), repealed

(3) Subject to subsection 5, where, upon receipt of such notice it appears to the sheriff that the attendance of jurors is not required or not required until a later date, the sheriff shall forthwith by registered mail or otherwise, as he considers expedient, notify in the form prescribed by the regulations each person summoned to serve as a juror that his attendance at the sittings is not required or is not required until the day specified in the notice. Notice to jurors

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(2) The judge presiding at the sittings may release from or postpone service of any number of jurors summoned for the sittings. Release during sittings

Transfer to another panel

(3) Jurors released from service at a sittings under this section may be resummoned by the sheriff for service at any other sittings, whether of the same or any other court, held concurrently with or immediately following the sittings from which they were released.

Constitution of panel

(4) Where jurors have been released from service or their service has been postponed under this section, the remaining jurors constitute the panel, and jurors recalled or resummoned under this section form part of the panel to which they are added.

s. 40 (3), re-enacted

5. Subsection 3 of section 40 of the said Act is repealed and the following substituted therefor:

When fees payable

(3) A juror is not entitled to fees or expenses in respect of days that he does not or is not required to attend.

s. 42 (3) (*a*), amended

6. Clause *a* of subsection 3 of section 42 of the said Act is amended by striking out "7" in the second line and inserting in lieu thereof "5".

s. 44 (2), amended

7. Subsection 2 of section 44 of the said Act is amended by striking out "or articled clerk" in the first and second lines.

Commencement

8. This Act comes into force on the day it receives Royal Assent.

Short title

9. This Act may be cited as *The Juries Amendment Act, 1975*.

BILL 1

An Act to amend
The Juries Act, 1974

1st Reading

March 11th, 1975

2nd Reading

May 27th, 1975

3rd Reading

May 27th, 1975

THE HON. J. T. CLEMENT
Attorney General

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BILL 2 **Private Member's Bill**

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to provide for the Appointment of a Commissioner to investigate Administrative Decisions and Acts of Officials of the Government of Ontario and its Agencies, and to define the Commissioner's Powers and Duties

MR. SINGER



TORONTO
PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

BILL 2 **1975**

An Act to provide for the Appointment of a Commissioner to investigate Administrative Decisions and Acts of Officials of the Government of Ontario and its Agencies, and to define the Commissioner's Powers and Duties

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

Interpretation

1. In this Act,

(*a*) "agency" means an agency of the Government of Ontario;

(*b*) "Commissioner" means the Commissioner of the Legislature appointed under this Act;

(*c*) "minister" means a member of the Executive Council;

(*d*) "ministry" means a ministry of the Government of Ontario.

Appointment

2. There shall be appointed by the Lieutenant Governor in Council on the recommendation of the Assembly as an officer of the Legislature a commissioner, to be called the Commissioner of the Legislature, who shall exercise the powers and perform the duties specified in this Act.

To hold no other office

3. The Commissioner shall not be a member of the Assembly and shall not hold any office of trust or profit, other than his office as Commissioner, or engage in any occupation for reward outside the duties of his office.

Term of office

4.—(1) The recommendation for the appointment of the Commissioner shall be made in the first session of every Legislature.

Reappointment

(2) Unless his office sooner becomes vacant, every person appointed as Commissioner shall hold office until his successor is appointed, and every such person may from time to time be reappointed.

Resignation

(3) The Commissioner may at any time resign his office by a writing addressed to the Speaker of the Assembly or, if there is no Speaker or if the Speaker is absent from Ontario, to the Clerk of the Assembly.

Removal from office

5.—(1) The Commissioner may at any time be removed or suspended from his office by the Lieutenant Governor in Council on the recommendation of the Assembly for disability, neglect of duty, misconduct or upon a bankruptcy.

Suspension when Legislature not in session

(2) At any time when the Legislature is not in session, the Commissioner may be suspended from his office by the Lieutenant Governor in Council for disability, neglect of duty, misconduct or upon a bankruptcy proved to the satisfaction of the Lieutenant Governor in Council, but any such suspension shall not continue in force beyond the end of the next ensuing session of the Legislature.

Filling of vacancy

6.—(1) If the Commissioner dies, retires, resigns or is removed from office, the vacancy thereby created shall be filled in accordance with this section.

When Legislature in session

(2) If a vacancy in the office of Commissioner occurs at any time while the Legislature is in session, it shall be filled by the appointment of a Commissioner by the Lieutenant Governor in Council on the recommendation of the Assembly, but, if the vacancy occurs less than one month before the end of that session and no such recommendation is made in that session, subsection 3 applies as if the vacancy had occurred while the Legislature was not in session.

When Legislature not in session

(3) If such a vacancy occurs at any time while the Legislature is not in session, the Lieutenant Governor in Council may appoint a Commissioner to fill the vacancy, and the person so appointed shall, unless his office sooner becomes vacant, hold office until his appointment is confirmed by the Assembly, and, if the appointment is not so confirmed within two months after the commencement of the next ensuing session, the appointment lapses, and there shall be deemed to be another vacancy in the office of Commissioner.

7.—(1) Before entering upon his duties, the Commissioner shall take an oath that he will faithfully and impartially perform the duties of his office and that he will not, except in accordance with subsection 3 of section 16, divulge any information received by him under this Act. Oath of office

(2) The oath shall be administered by the Speaker of the Assembly or by the Clerk of the Assembly. Idem

8.—(1) Subject to subsection 2, the Commissioner may appoint such officers and employees as may be necessary for the efficient carrying out of his functions under this Act. Staff

(2) The number of persons that may be appointed under this section, whether generally or in respect of any specified duties or class of duties, shall from time to time be determined by the Lieutenant Governor in Council. Idem

9.—(1) The principal function of the Commissioner is to investigate any decision or recommendation made, including any recommendation made to a minister, or any act done or omitted, relating to a matter of administration and affecting any person or body of persons in his or its personal capacity, in or by any ministry or agency, or by any officer, employee or member thereof in the exercise of any power or function conferred on him by any Act. Functions

(2) The Commissioner may make any such investigation either on a complaint made to him by any person or of his own motion, and he may commence any such investigation notwithstanding that the complaint may not on its face be against any such decision, recommendation, act or omission as aforesaid. Initiation of investigation

(3) Without limiting subsection 1, any committee of the Assembly may at any time refer to the Commissioner, for investigation and report by him, any petition that is before that committee for consideration or any matter to which the petition relates, and, in any such case, the Commissioner shall, subject to any special directions of the committee, investigate the matters so referred to him so far as they are within his jurisdiction and make such report to the committee as he thinks fit, but nothing in section 12, 17 or 18 applies in respect of any investigation or report made under this subsection. Referrals by committees

(4) The powers and duties conferred on the Commissioner by this Act may be exercised and performed notwithstanding any provision in any Act to the effect that any decision, recommendation, act or omission mentioned in subsection 1 Powers and duties paramount

is final, or that no appeal lies in respect thereof, or that no proceeding or decision of the person or organization whose decision, recommendation, act or omission it is shall be challenged, reviewed, quashed or called in question.

Areas outside jurisdiction

(5) Nothing in this Act authorizes the Commissioner to investigate,

(*a*) any decision, recommendation, act or omission in respect of which there is under any Act a right of appeal or objection or a right to apply for a review on the merits of the case to any court or to any tribunal constituted by or under any Act, whether or not that right of appeal or objection or application has been exercised in the particular case and whether or not any time prescribed for the exercise of that right has expired; or

(*b*) any decision, recommendation, act or omission of any person acting as a solicitor for the Crown or acting as counsel for the Crown in relation to any proceedings.

Determination of jurisdiction

(6) If any question arises as to whether the Commissioner has jurisdiction to investigate any case or class of cases under this Act, he may, if he thinks fit, apply to the Supreme Court for a declaratory order determining the question.

Guide rules

10.—(1) The Assembly may from time to time, if it thinks fit, make general rules for the guidance of the Commissioner in the exercise of his functions, and may at any time in like manner revoke or vary any such rules.

Publication of reports

(2) Any such rules may authorize the Commissioner from time to time, in the public interest or in the interests of any person or ministry or agency, to publish reports relating generally to the exercise of his functions under this Act or to any particular case or cases investigated by him, whether or not the matters to be dealt with in any such report have been the subject of a report to the Assembly under this Act.

Publication of rules

(3) All such rules shall be printed and published.

Mode of complaint

11.—(1) Every complaint to the Commissioner shall be made in writing.

Letters to be forwarded

(2) Notwithstanding any Act, where a letter written by any person in custody on a charge or after conviction of any offence, or by any inmate of any private sanitarium

within the meaning of *The Private Sanitaria Act* or an institution within the meaning of *The Mental Hospitals Act*, is addressed to the Commissioner, it shall be immediately forwarded, unopened, to the Commissioner by the person for the time being in charge of the place or institution where the writer of the letter is detained or of which he is an inmate. R.S.O. 1970, cc. 363, 269

12.—(1) If in the course of the investigation of any complaint it appears to the Commissioner, Commissioner may refuse to investigate complaint

(*a*) that under the law or existing administrative practice there is an adequate remedy, other than the right to petition the Legislature, for the complainant, whether or not he has availed himself of it; or

(*b*) that, having regard to all the circumstances of the case, any further investigation is unnecessary,

he may in his discretion refuse to investigate the matter further.

(2) Without limiting the generality of the powers conferred on the Commissioner by this Act, the Commissioner may in his discretion decide not to investigate, or, as the case may require, not to further investigate, any complaint if it relates to any decision, recommendation, act or omission of which the complainant has had knowledge for more than twelve months before the complaint is received by the Commissioner, or if in his opinion, Idem

(*a*) the subject-matter of the complaint is trivial;

(*b*) the complaint is frivolous or vexatious or is not made in good faith; or

(*c*) the complainant has not a sufficient personal interest in the subject-matter of the complaint.

(3) In any case where the Commissioner decides not to investigate or further investigate a complaint, he shall inform the complainant of his decision, and he may, if he thinks fit, state his reasons therefor. Idem

13.—(1) Before investigating any matter under this Act, the Commissioner shall inform the deputy minister of the ministry affected, or, as the case may require, the administrative head of the agency affected, of his intention to make the investigation. Notice of investigation

In private

(2) Every investigation by the Commissioner under this Act shall be conducted in private.

Information

(3) The Commissioner may hear or obtain information from such persons as he thinks fit, and he may make such inquiries as he thinks fit.

Hearings

(4) It is not necessary for the Commissioner to hold any hearing and no person is entitled as of right to be heard by the Commissioner, but, if at any time during the course of an investigation it appears to the Commissioner that there may be sufficient grounds for his making a report or recommendation that may adversely affect any ministry, agency or person, he shall give to that ministry, agency or person an opportunity to be heard, and at any such hearing the ministry, agency or person is entitled to counsel.

Consultations

(5) The Commissioner may in his discretion, at any time during or after any investigation, consult any minister who is concerned in the matter of the investigation.

Idem

(6) On the request of any minister in relation to an investigation or in any case where an investigation relates to any recommendation made to a minister, the Commissioner shall consult that minister after making the investigation and before forming a final opinion on any of the matters referred to in subsection 1 or 2 of section 17.

Misconduct

(7) If, during or after any investigation, the Commissioner is of opinion that there is evidence of any breach of duty or misconduct on the part of any officer or employee of any ministry or agency, he shall refer the matter to the appropriate authority.

Regulation of procedure

(8) Subject to this Act and any rules made under section 10, the Commissioner may regulate his procedure in such manner as he thinks fit.

Evidence

14.—(1) Subject to this section and section 15, the Commissioner may from time to time require any person who in his opinion is able to give any information relating to any matter that is being investigated by him to furnish to him any such information and to produce any such document, paper or thing that in his opinion relates to any such matter and that may be in the possession or under the control of such person, whether or not such person is an officer, employee or member of a ministry or agency, and whether or not such document, paper or thing is in the custody or under the control of any such ministry or agency.

(2) The Commissioner may summon before him and examine on oath, Power to take evidence on oath

(*a*) any person who is an officer or employee or member of any ministry or agency and who in the Commissioner's opinion is able to give any information mentioned in subsection 1;

(*b*) any complainant; or

(*c*) with the prior approval of the Attorney General in each case, any other person who in the Commissioner's opinion is able to give such information,

and for that purpose may administer an oath.

(3) Subject to subsection 4, no person who is bound by any Act to maintain secrecy in relation to, or not to disclose, any matter shall be required to supply any information to or answer any question put by the Commissioner in relation to that matter, or to produce to the Commissioner any document, paper or thing relating to it, if compliance with that requirement would be in breach of the obligation of secrecy or non-disclosure. Duty to maintain secrecy paramount

(4) With the prior consent in writing of a complainant, any person to whom subsection 3 applies may be required by the Commissioner to supply information or answer any question or produce any document, paper or thing relating only to the complainant, and it is the duty of the person to comply with such requirement. Idem

(5) Every person has the same privileges in relation to the giving of information, the answering of questions and the production of documents, papers and things under this Act as witnesses have in any court. Privilege

(6) Except on the trial of a person for perjury, no statement made or answer given by that or any other person in the course of any inquiry by or any proceedings before the Commissioner is admissible in evidence against any person in any court or at any inquiry or in any other proceedings, and no evidence in respect of proceedings before the Commissioner shall be given against any person. Evidence not admissible elsewhere

(7) No person is liable to prosecution for an offence against any Act by reason of his compliance with any requirement of the Commissioner under this section. No prosecution

Disclosure of certain matters not to be required

15.—(1) Where the Attorney General certifies that the giving of any information or the answering of any question or the production of any document, paper or thing might involve the disclosure of,

(*a*) the deliberations of the Executive Council; or

(*b*) proceedings of the Executive Council, or any committee thereof, relating to matters of a secret or confidential nature, and would be injurious to the public interest,

the Commissioner shall not require the information or answer to be given or, as the case may be, the document, paper or thing to be produced, but shall report the giving of such a certificate to the Legislature.

Rule as to privileged documents, etc., does not apply

(2) Subject to subsection 1, the rule of law that authorizes or requires the withholding of any document, paper or thing, or the refusal to answer any question, on the ground that the disclosure of the document, paper or thing or the answering of the question would be injurious to the public interest, does not apply in respect of any investigation by or proceedings before the Commissioner.

Secrecy

16.—(1) The Commissioner and every person holding any office or appointment under him shall maintain secrecy in respect of all matters that come to their knowledge in the exercise of their functions.

Oath

(2) Every person holding any office or appointment under the Commissioner shall, before he begins to perform his duties under this Act, take an oath, to be administered by the Commissioner, that he will not divulge any information received by him under this Act except for the purpose of giving effect to this Act.

Exception

(3) Notwithstanding subsection 1, the Commissioner may disclose in any report made by him under this Act such matters as in his opinion ought to be disclosed in order to establish grounds for his conclusions and recommendations.

Procedure after investigation

17.—(1) This section applies in every case where, after making any investigation under this Act, the Commissioner is of opinion that the decision, recommendation, act or omission that was the subject-matter of the investigation,

(*a*) appears to have been contrary to law;

(*b*) was unreasonable, unjust, oppressive, improperly discriminatory or was, in accordance with a rule

of law or a provision of any Act or a practice that is or may be unreasonable, unjust, oppressive or improperly discriminatory;

(*c*) was based wholly or partly on a mistake of law or fact; or

(*d*) was wrong.

Idem

(2) This section also applies in any case where the Commissioner is of opinion that in the making of the decision or recommendation, or in the doing or omission of the act, a discretionary power has been exercised for an improper purpose or on irrelevant grounds or on the taking into account of irrelevant considerations, or that, in the case of a decision made in the exercise of any discretionary power, reasons should have been given for the decision.

Opinion, etc., to be reported to ministry

(3) If in any case to which this section applies the Commissioner is of opinion,

(*a*) that the matter should be referred to the appropriate authority for further consideration;

(*b*) that the omission should be rectified;

(*c*) that the decision should be cancelled or varied;

(*d*) that any practice on which the decision, recommendation, act or omission was based should be altered;

(*e*) that any law on which the decision, recommendation, act or omission was based should be reconsidered;

(*f*) that reasons should have been given for the decision; or

(*g*) that any other steps should be taken,

the Commissioner shall report his opinion and his reasons therefor to the appropriate minister and to the ministry or agency concerned, and may make such recommendations as he thinks fit, and in any such case he may request the department or agency to notify him, within a specified time, of the steps, if any, that it proposes to take to give effect to his recommendations.

Report to Cabinet and Assembly

(4) If within a reasonable time after the report is made no action is taken that seems to the Commissioner to be

adequate and appropriate, the Commissioner, in his discretion, after considering the comments, if any, made by or on behalf of the ministry or agency affected, may send a copy of the report and recommendations to the Lieutenant Governor in Council and may thereafter make such report to the Legislature on the matter as he thinks fit.

Idem

(5) The Commissioner shall attach to every report sent or made under subsection 4 a copy of any comments made by or on behalf of the ministry or agency concerned.

Comment adverse to person

(6) Notwithstanding anything in this section, the Commissioner shall not, in any report made under this Act, make any comment that is adverse to any person unless the person has been given an opportunity to be heard.

Complainant to be informed of result of investigation

18.—(1) Where on any investigation under this Act the Commissioner makes a recommendation under subsection 3 of section 17 and no action that seems to the Commissioner to be adequate and appropriate is taken thereon within a reasonable time, the Commissioner shall inform the complainant of his recommendation and make such comments on the matter as he thinks fit.

Idem

(2) The Commissioner shall in any case inform the complainant, in such manner and at such time as he thinks proper, of the result of the investigation.

Private clause

19. No proceedings of the Commissioner shall be held bad for want of form and, except on the ground of lack of jurisdiction, no proceedings or decision of the Commissioner shall be challenged, reviewed, quashed or called in question in any court.

Proceedings privileged

20.—(1) No proceedings lie against the Commissioner or against any person holding any office or appointment under the Commissioner for anything he may do or report or say in the course of the exercise or intended exercise of his functions under this Act, unless it is shown that he acted in bad faith.

Not compellable as witnesses

(2) Neither the Commissioner nor any person holding any office or appointment under the Commissioner shall be called upon to give evidence in any court or in any proceedings of a judicial nature in respect of anything coming to his knowledge in the exercise of his functions under this Act.

Privilege

(3) Anything said or any information supplied or any document, paper or thing produced by any person in the

course of any inquiry by or proceedings before the Commissioner under this Act is privileged in the same manner as if the inquiry or proceedings were proceedings in a court.

Report deemed privileged R.S.O. 1970, c. 243

(4) For the purposes of *The Libel and Slander Act*, any report made by the Commissioner under this Act shall be deemed to be privileged, and a fair and accurate report in a newspaper or a broadcast shall be deemed to be privileged.

Power to enter premises

21.—(1) For the purposes of this Act but subject to this section, the Commissioner may at any time enter upon any premises occupied by any department or agency and inspect the premises and, subject to sections 14 and 15, carry out therein any investigation that is within his jurisdiction.

Notice

(2) Before entering upon any such premises, the Commissioner shall notify the deputy minister of the ministry or, as the case may require, the administrative head of the agency that occupies the premises of his intention so to do.

Delegation of powers

22.—(1) With the prior approval of the Lieutenant Governor in Council, the Commissioner may from time to time, by writing under his hand, delegate to any person holding any office under him any of his powers under this Act, except this power of delegation and the power to make any report under this Act.

To whom powers may be delegated

(2) Any such delegation may be made to a specified person or to the holder for the time being of a specified office or to the holders of offices of a specified class.

Delegations revocable

(3) Every such delegation is revocable at will, and no such delegation prevents the exercise of any power by the Commissioner.

Scope of delegations

(4) Any such delegation may be made subject to such restrictions and conditions as the Commissioner thinks fit, and may be made either generally or in relation to any particular case or class of cases.

Life of delegations

(5) Until any such delegation is revoked, it continues in force according to its tenor and, in the event of the Commissioner by whom it was made ceasing to hold office, continues to have effect as if made by his successor.

Evidence of delegated powers

(6) Any person purporting to exercise any power of the Commissioner by virtue of such a delegation shall, when required to do so, produce evidence of his authority to exercise the power.

Annual report

23. Without limiting his right to report at any other time, but subject to subsection 6 of section 17 and to any rules made under section 10, the Commissioner shall in each year make a report to the Legislature on the exercise of his functions under this Act.

Offences

24. Every person commits an offence against this Act and is liable on summary conviction to a fine of not more than $500 who,

(*a*) without lawful justification or excuse, wilfully obstructs, hinders or resists the Commissioner or any other person in the exercise of his powers under this Act;

(*b*) without lawful justification or excuse, refuses or wilfully fails to comply with any lawful requirement of the Commissioner or any other person under this Act; or

(*c*) wilfully makes any false statement to or misleads or attempts to mislead the Commissioner or any other person in the exercise of his powers under this Act.

Provisions are in addition to other laws

25. The provisions of this Act are in addition to the provisions of any other Act or any rule of law under which any remedy or right of appeal or objection is provided for any person or any procedure is provided for the inquiry into or investigation of any matter, and nothing in this Act limits or affects any such remedy or right of appeal or objection or procedure.

Short title

26. This Act may be cited as *The Commissioner of the Legislature Act, 1975*.

BILL 2

An Act to provide for the Appointment of a Commissioner to investigate Administrative Decisions and Acts of Officials of the Government of Ontario and its Agencies, and to define the Commissioner's Powers and Duties

1st Reading

March 13th, 1975

2nd Reading

3rd Reading

MR. SINGER

(*Private Member's Bill*)

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Government
Publications

BILL 3

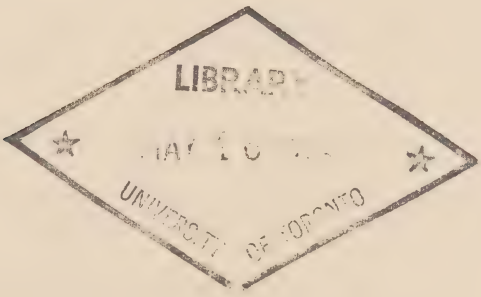
Government Bill

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to regulate Political Party Financing and Election Contributions and Expenses

THE HON. J. WHITE
Minister without Portfolio



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Explanatory Note

This Bill incorporates the principles recommended in the Third Report of the Ontario Commission on the Legislature and implements the basic recommendations of the Report with the following major differences.

1. Section 38 provides for limitations on the cost of advertising incurred by political parties, constituency associations and candidates during the campaign period.

2. The principle of subsidization of candidate's expenses is implemented by providing for reimbursement of the lesser of the actual expenses of a candidate or an amount determined in relation to the number of voters in his electoral district as set out in section 44.

3. Provision is made in section 40 for subsidization of the cost of auditors in amounts up to $100 in relation to constituency associations and up to $250 in relation to candidates.

BILL 3 **1975**

An Act to regulate Political Party Financing and Election Contributions and Expenses

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) In this Act, Interpretation

(*a*) "broadcasting undertaking" means a broadcasting undertaking as defined in section 2 of the *Broadcasting Act* (Canada); R.S.C. 1970, c. B-11

(*b*) "by-election" means an election other than a general election;

(*c*) "campaign period" means the period commencing with the issue of a writ for an election and terminating four months after polling day;

(*d*) "candidate" means,

(i) a person who is duly nominated as a candidate for an electoral district in accordance with *The Election Act*, R.S.O. 1970, c. 142

(ii) a person who is nominated by a constituency association of a registered party in an electoral district as the official candidate of such party in the electoral district, or

(iii) a person who, on or after the date of the issue of a writ for an election in an electoral district, declares himself to be an independent candidate at the election in the electoral district;

(*e*) "Commission" means the Commission on Election Contributions and Expenses;

(*f*) "constituency association" in an electoral district means the association or organization endorsed by a registered party as the official association of that party in the electoral district;

(*g*) "contribution" does not include any goods produced by voluntary unpaid labour or any service performed by an individual voluntarily for a political party, constituency association or candidate without compensation from the political party, constituency association or candidate;

(*h*) "election" means an election to elect a member or members to serve in the Assembly;

(*i*) "general election" means an election in respect of which election writs are issued for all electoral districts;

(*j*) "outdoor advertising facilities" means facilities, other than radio and television and newspapers, magazines and other periodical publications, of any person or corporation that is in the business of providing such facilities on a commercial basis for advertising purposes;

(*k*) "person" includes a candidate but does not include a corporation or trade union;

(*l*) "polling day" means the day fixed pursuant to *The Election Act* for holding the poll at an election;

R.S.O. 1970, c. 142

(*m*) "registered candidate" means a candidate registered under this Act;

(*n*) "registered constituency association" means a constituency association registered under this Act;

(*o*) "registered party" means a political party registered under this Act;

(*p*) "revised list of voters" means the revised list of voters certified by the returning officer or an assistant revising officer under *The Election Act*;

(*q*) "trade union" means a trade union as defined by *The Labour Relations Act* or the *Canada Labour Code* that holds bargaining rights for employees in Ontario to whom those Acts apply;

R.S.O. 1970, c. 232
R.S.C. 1970, c. L-1

(*r*) "year" means calendar year.

(2) Corporations that are associated with one another under section 256 of the *Income Tax Act* (Canada) shall be considered as a single corporation for the purposes of this Act. Associated corporations 1970-71, c. 63 (Can.)

(3) This Act does not apply to campaigns and conventions carried on or held in relation to the leadership of any registered party or in relation to contested constituency nominations for endorsation of official party candidates. Leadership campaigns and contested constituency nominations

(4) This Act does not apply to, Existing funds in trust

(*a*) funds held in trust on the day this section comes into force; and

(*b*) funds raised before the expiration of thirty days after the day this section comes into force by a fund-raising function organized before the day this section comes into force that are placed in trust,

for the purposes of a constituency association or the future candidacy of any person at an election or a future election campaign of any person, but the trustee or trustees of each such trust shall,

(*c*) within sixty days after the day this section comes into force, report in writing to the Commission the existence of such trust and the total amount of the funds therein;

(*d*) maintain the funds remaining in the trust from time to time on deposit with a financial institution that is lawfully entitled to accept deposits;

(*e*) restrict the income of the trust to interest on the funds on deposit under clause *d*;

(*f*) not permit funds or other property to be added to the trust other than interest on the amounts on deposit under clause *d*;

(*g*) file with the Commission on or before the 30th day of April in the year 1976 and in each year thereafter a report of the expenditures from the trust during the previous year and his declaration that he has complied with the provisions of clauses *d*, *e* and *f*; and

(*h*) when the trust is terminated, forthwith notify the Commission thereof.

Year 1975

(5) For the purposes of this Act, the period from 3:00 o'clock in the afternoon on the 13th day of February, 1975, to and including the 31st day of December, 1975 shall be deemed to be the calendar year 1975.

COMMISSION ON ELECTION CONTRIBUTIONS AND EXPENSES

Commission established

2.—(1) A commission is hereby established to be known as the Commission on Election Contributions and Expenses and composed of,

(*a*) two persons as nominees of each political party that is represented in the Assembly by four or more members of the Assembly and that nominated candidates in at least 50 per cent of the electoral districts in the most recent general election appointed, on the recommendation of the leader of the party, by the Lieutenant Governor in Council for a term of not more than five years;

(*b*) a bencher of the Law Society of Upper Canada appointed by the Lieutenant Governor in Council for a term of not more than five years to hold office only while he remains a bencher;

(*c*) the Chief Election Officer; and

(*d*) the chairman of the Commission who shall be appointed by the Lieutenant Governor in Council for a term of not more than ten years.

Vice-chairman

(2) The members of the Commission shall elect one of the members appointed under clause *a* as vice-chairman to serve as such for not more than two years.

Absence of chairman

(3) In the absence of the chairman, the vice-chairman may act as chairman.

Meetings

(4) The Commission shall meet on the call of the chairman or of five or more members.

Quorum

(5) Five or more members of the Commission and the chairman or vice-chairman constitute a quorum.

Members not to hold office with or contribute to party

(6) Members of the Commission shall not, during their term of office, be members of the Assembly or hold office in any political party or constituency association or make contributions to any political party or constituency association.

(7) Any member of the Commission may be reappointed for one additional term. Reappointment

(8) The chairman of the Commission shall be paid such salary and the other members except the Chief Election Officer shall be paid such *per diem* allowances as may be determined by the Lieutenant Governor in Council. Remuneration of members

3.—(1) The Commission may employ an Executive Director, legal counsel, auditors and such staff as it considers necessary to properly carry out its responsibilities under this Act. Staff

(2) The Commission may lease such premises and acquire such equipment and supplies as are necessary to properly carry out its responsibilities under this Act. Office accommodation and supplies

4.—(1) The Commission, in addition to its other powers and duties under this Act, shall, Powers and duties

(*a*) assist political parties, constituency associations and candidates registered under this Act in the preparation of returns required under this Act;

(*b*) ensure that every registered constituency association and registered candidate has appropriate auditing services in order to properly comply with this Act;

(*c*) examine all financial returns filed with the Commission;

(*d*) conduct periodic investigations and examinations of the financial affairs and records of registered political parties and constituency associations and of registered candidates in relation to election campaigns;

(*e*) reimburse candidates for election expenses in accordance with section 44;

(*f*) recommend any amendments to this Act that the Commission considers advisable;

(*g*) report to the Attorney General any apparent contravention of this Act;

(*h*) prescribe forms and the contents thereof for use under this Act and provide for their use;

(*i*) prepare, print and distribute forms for use under this Act;

(*j*) provide such guidelines as it considers necessary for the guidance of auditors and political parties, constituency associations and candidates and any of the officers thereof; and

(*k*) publish a summary of each candidate's election receipts, expenses and subsidy in a newspaper having a general circulation in the electoral district in which he was a candidate.

Annual report

(2) The Commission shall report annually upon the affairs of the Commission to the Speaker of the Assembly who shall cause the report to be laid before the Assembly if it is in session or, if not, at the next ensuing session.

Powers of Commission under 1971, c. 49

5. For the purpose of carrying out any investigation or examination under this Act, the Commission has the powers of a commission under Part II of *The Public Inquiries Act, 1971*, which Part applies to such investigation or examination as if it were an inquiry under that Act.

Powers of inspection

6. For the purposes of an investigation or examination under this Act, a representative of the Commission, upon production of his authorization from the Commission to enter the premises (referred to in the authorization) in which the books, papers and documents of a political party, constituency association or candidate relevant to the subject-matter of the investigation or examination are kept, may at any reasonable time enter such premises and examine such books, papers and documents.

Information

7. Such information with respect to the affairs of a registered party or registered constituency association that is reasonably required in respect of its duties under this Act as the Commission may request shall be provided by the registered party or constituency association within thirty days after receiving a written request therefor from the Commission or within such extended period as the Commission may determine.

Expenditures of Commission

8. The remuneration of the members of the Commission and the expenditures required for the operation of the Commission are payable, until the 31st day of March, 1975, out of the Consolidated Revenue Fund, and thereafter out of moneys appropriated therefor by the Legislature.

9. The accounts and financial transactions of the Commission shall be audited annually by the Provincial Auditor. Audit

REGISTRATION

10.—(1) No political party and no person acting for the political party shall accept contributions for the political party or for any constituency association unless the political party is registered under this Act. Registration of parties

(2) Any political party that, Qualifications for registration

(*a*) held a minimum of four seats in the Assembly following the most recent election;

(*b*) nominated candidates in at least 50 per cent of the electoral districts in the most recent general election;

(*c*) nominates candidates in at least 50 per cent of the electoral districts following the issue of a writ for a general election; or

(*d*) at any time other than during a campaign period provides the Commission with the names, addresses and signatures of 10,000 persons who,

(i) are eligible to vote in an election, and

(ii) attest to the registration of the political party concerned,

may apply to the Commission for registration in the register of political parties.

(3) The Commission shall maintain a register of political parties and subject to this section shall register therein any political party that is qualified to be registered and that files an application for registration with the Commission, setting out, Application for registration

(*a*) the full name of the political party;

(*b*) the political party name or abbreviation to be shown in any election documents;

(*c*) the name of the leader of the political party;

(*d*) the address of the place where records of the political party are maintained and to which communications may be addressed;

(*e*) the names of the principal officers of the political party;

(*f*) the name of the chief financial officer of the political party;

(*g*) the names of all persons authorized by the political party to accept contributions;

(*h*) the name and address of every chartered bank, trust company or other financial institution that is lawfully entitled to accept deposits to be used by the political party as the depository for contributions made to that political party;

(*i*) the names of the political party signing officers responsible for the depository referred to in clause *h*; and

(*j*) an audited balance sheet of the political party as of a date not earlier than ninety days prior to the date of its application for registration.

Registration by Commission

(4) Upon receipt of an application for registration of a political party, the Commission shall examine the application and determine if the political party can be registered, and,

(*a*) if the political party can be registered, enter it in the register of political parties and so inform the political party; or

(*b*) if the political party cannot be registered, so inform the political party with written reasons for its determination.

Name of political party

(5) The Commission shall not register a political party where the name of the party includes the word "independent" or where in the opinion of the Commission the name or the abbreviation of the name of the party so nearly resembles the name or abbreviation of the name of a registered party as to be likely to be confused with that registered party.

Variation of register

(6) Where any of the information referred to in clauses *a* to *i* of subsection 3 is altered, the registered party shall notify in writing the Commission within thirty days of any such alteration and, upon receipt of any such notice, the Commission shall vary the register of political parties accordingly.

11.—(1) No constituency association of a registered party and no person acting for the constituency association shall accept contributions for the constituency association or for the registered party unless the constituency association is registered under this Act. Registration of constituency associations

(2) The Commission shall maintain a register of constituency associations and, subject to this section, shall register therein any constituency association of a registered party that files an application for registration with the Commission setting out, Application for registration

(*a*) the full name of the constituency association and of the registered party by which it is endorsed;

(*b*) the address of the place where records of the constituency association are maintained and to which communications may be addressed;

(*c*) the names of the principal officers of the constituency association;

(*d*) the name of the chief financial officer of the constituency association;

(*e*) the names of all persons authorized by the constituency association to accept contributions;

(*f*) the name and address of the chartered bank, trust company or other financial institution that is lawfully entitled to accept deposits to be used by the constituency association as the depository for all contributions made to that constituency association;

(*g*) the names of the constituency association signing officers responsible for the depository referred to in clause *f*; and

(*h*) an audited balance sheet of the constituency association as of a date not earlier than ninety days prior to the date of its application for registration.

(3) Upon receipt of an application for registration of a constituency association, the Commission shall examine the application and determine if the constituency association can be registered and, Registration by Commission

(*a*) if the constituency association can be registered, enter it in the register of constituency associations and so inform the constituency association; or

(*b*) if the constituency association cannot be registered, so inform the constituency association with written reasons for its determination.

Variation of register

(4) Where any of the information referred to in clauses *a* to *g* of subsection 2 is altered, the registered constituency association shall notify in writing the Commission within thirty days of any such alteration and, upon receipt of any such notice, the Commission shall vary the register of constituency associations accordingly.

Application of registration provisions to certain parties

12. Sections 10 and 11 do not apply to any political party or its constituency associations, except the political parties and their constituency associations that are deemed by section 13 to be registered under this Act, until the date named in a notice published by the Commission in *The Ontario Gazette* as the first day upon which applications for registration of political parties and constituency associations will be received for filing by the Commission.

Certain political parties and constituency associations deemed registered

13.—(1) Every political party that is qualified under clause *a* of subsection 2 of section 10 to be registered under this Act shall be deemed to be registered under this Act as of 3:00 o'clock in the afternoon on the 13th day of February, 1975 and each constituency association of such political party shall be deemed to be registered under this Act as of 3:00 o'clock in the afternoon on the 13th day of February, 1975.

Application required

(2) When a political party or a constituency association referred to in subsection 1 or 5 receives a request in writing from the Commission to file an application for registration under this Act, it shall immediately comply with such request and when the political party or constituency association becomes registered as the result of the application therefor, subsection 1 ceases to apply to it.

Receipt of contributions before registration following application

(3) Where contributions are received by or on behalf of a political party or constituency association referred to in subsection 1, during the period from 3:00 o'clock in the afternoon on the 13th day of February, 1975, to and including the day it becomes registered as a result of an application therefor under subsection 2, notwithstanding any other provision of this Act, the political party and constituency association shall cause each contribution accepted by it to be recorded as to amount and source and deposited in an account in a chartered bank, trust company or other institution that is lawfully entitled to accept deposits and shall issue receipts therefor in accordance with this Act within a reasonable time after it becomes registered as the result of an application therefor under subsection 2.

Constituency associations abolished or replaced by changes in electoral districts 1975, c. ...

(4) Any constituency association referred to in subsection 1 that by reason of *The Representation Act, 1975*,

(*a*) is abolished, shall be deemed never to have been registered under subsection 1; or

(*b*) is replaced by another constituency association, such other constituency association shall be deemed to be an association referred to in subsection 1.

New constituency association

(5) Any new constituency association endorsed by a political party referred to in subsection 1 that was formed by reason of *The Representation Act, 1975* and that does not replace a constituency association referred to in subsection 1 shall be deemed to be registered under this Act on the date of its formation.

Deregistration of parties and constituency associations, on application

14.—(1) The Commission may deregister,

(*a*) a registered party on an application therefor by the registered party; or

(*b*) a registered constituency association on an application therefor by the constituency association and the registered party concerned.

For non-compliance with certain provisions of Act

(2) Where the chief financial officer of a registered party or registered constituency association fails to comply with section 41 or 42, the Commission may deregister the registered party or constituency association, as the case may be.

Notice of proposal to deregister party or association

(3) Where under subsection 2 the Commission proposes to deregister,

(*a*) a political party, it shall send by registered mail notice of its proposal with written reasons therefor to the political party; or

(*b*) a constituency association, it shall send by registered mail notice of its proposal with written reasons therefor to the constituency association and the political party concerned,

and the political party or constituency association so notified, within thirty days after the sending of the notice, may request the Commission in writing to review its proposal.

(*a*) prior to the issue of a writ for an election shall be deemed to be registered effective from the issue of the writ; and

(*b*) after the issue of a writ for an election shall be deemed to be registered on and after the day following the day of filing.

Mailing of application deemed filing

(4) An application under subsection 2 may be filed with the Commission by registered mail in which case it shall be deemed to be filed on the second day after it is mailed.

Deregistration where candidacy withdrawn R.S.O. 1970, c. 142

(5) Where a registered candidate who was duly nominated in accordance with *The Election Act* withdraws his candidacy in accordance with that Act or a person who becomes registered before becoming so nominated does not become nominated as a candidate in accordance with *The Election Act*, he shall so notify the Commission in writing and the Commission shall delete his name from the register of candidates.

Inspection of information on file with Commission

16.—(1) All documents filed with the Commission are public records and may be inspected by any person upon request at the offices of the Commission during normal office hours.

Extracts

(2) Any person may take extracts from the documents referred to in subsection 1 and is entitled to copies thereof upon payment for the preparation of the copies at such rate as the Commission may determine.

CONTRIBUTIONS

Contributors and how contributions to be made

17.—(1) Contributions to political parties, constituency associations and candidates registered under this Act may be made only by persons individually, corporations and trade unions.

How contributions of money to be made

(2) Moneys contributed to political parties, constituency associations and candidates registered under this Act in amounts in excess of $10 shall be made only by a cheque having the name of the contributor legibly printed thereon signed by the contributor and drawn on an account in the contributor's name or by a money order signed by the contributor.

Depositing of contributions

(3) All moneys accepted by or on behalf of a political party, constituency association or candidate registered under this Act shall be paid into the appropriate depository on record with the Commission.

Anonymous contributions

18. Any anonymous contribution received by a political party, constituency association or candidate registered under this Act shall not be used or expended, but shall be returned to the contributor if the contributor's identity can be established, and if the contributor's identity cannot be established, the contribution shall be paid over to the Commission and become part of the funds of the Commission to be used by the Commission in carrying out its responsibilities under this Act.

Limitation on contributions

19.—(1) Contributions by any person, corporation or trade union to political parties, constituency associations and candidates registered under this Act are limited to those set out in clauses *a* and *b* and shall not exceed,

(*a*) in any year,

(i) $2,000 to each registered party, and

(ii) $500 to any registered constituency association but in respect of registered constituency associations of a registered party an aggregate of $2,000 to constituency associations of each registered party; and

(*b*) in any campaign period in addition to contributions authorized under clause *a*,

(i) $2,000 in relation to the election in such period to each registered party, and

(ii) $500 in relation to the election in such period to any registered candidate, but in respect of candidates endorsed by a registered party, an aggregate of $2,000 to registered candidates of each registered party.

By-elections

(2) Where writs for two or more by-elections bear the same date and provide for the same polling day, all such by-elections shall be deemed one election for the purposes of clause *b* of subsection 1.

Candidate's funds deemed contribution

(3) Any moneys to be used for a political campaign by a candidate out of his own funds shall be deemed to be a contribution for the purposes of this Act and shall be paid into the depository on record with the Commission.

Contributor to contribute only funds belonging to him

20.—(1) Subject to section 31, no person, corporation or trade union shall contribute to any political party, constituency association or candidate registered under this Act

funds not actually belonging to him or it or any funds that have been given or furnished to him or it by any person or group of persons or by a corporation or trade union for the purpose of making a contribution thereof.

Prohibition to accept contributions contrary to subsection 1

(2) No political party, constituency association or candidate registered under this Act, and no person on its or his behalf shall solicit or knowingly accept any contribution contrary to the provisions of subsection 1.

Return of contribution

(3) Where the chief financial officer learns that any contribution received by or on behalf of the political party, constituency association or candidate for whom he acts was made contrary to subsection 1, he shall, within thirty days after learning that the contribution was made contrary to subsection 1, return the contribution or an amount equal to the sum contributed.

Funds from federal parties

1973-74, c. 51 (Can.)

21. No political party, constituency association or candidate registered under this Act shall accept funds from a federal political party registered under the *Election Expenses Act* (Canada) except during a campaign period during which a registered party may accept from such a federal political party an amount not exceeding, in the aggregate, $100 for each registered candidate endorsed by that registered party and such funds shall be considered not to be contributions for the purposes of this Act but shall be recorded as to source and deposited in the appropriate depository on record with the Commission.

Value of goods and services

22.—(1) The value of goods and services, other than those that are not contributions under clause *g* of subsection 1 of section 1, contributed to a political party, constituency association or candidate registered under this Act shall be,

(*a*) where the contributor is in the business of supplying such goods or services, the lowest amount charged by him or it for an equivalent amount of the same goods and services at or about the time the goods or services are contributed; and

(*b*) where the contributor is not in the business of supplying such goods or services, the lowest amount charged, at or about the time the goods or services are contributed, by any other person or corporation providing the same goods on a commercial retail basis or services on a commercial basis in the market area in which the goods or services are contributed.

(2) Only,

Amount over $100 considered contributions

(*a*) a contribution of goods or services having a value of more than $100; and

(*b*) contributions of goods or services from a single source in any year, excluding any campaign period or part thereof in that year, or in any campaign period that in the aggregate have a value of more than $100,

shall be considered as a contribution for the purposes of this Act.

Advertising as contribution

23.—(1) Where any person, corporation or trade union with the knowledge and consent of a political party or candidate registered under this Act promotes the political party or the election of the candidate or opposes any other registered party or the election of any other registered candidate by advertising on the facilities of any broadcasting undertaking or by publishing an advertisement in any newspaper, magazine or other periodical publication or printed leaflets, pamphlets or other documents or through the use of any outdoor advertising facility and the amount of the cost thereof,

(*a*) in the case of any such single advertisement or publication is more than $100; and

(*b*) in the case of any such advertisements and publications from a single source published in any year, excluding any campaign period or part thereof in that year, or in any campaign period in the aggregate exceeds $100,

such amount shall be considered as a contribution for the purposes of this Act to the political party or candidate with whose knowledge and consent the advertising was done.

Identification

(2) No person, corporation, trade union or registered party or constituency association shall cause any political advertisement to be published in any newspaper, magazine or other periodical publication or through the use of any outdoor advertising facility unless he or it furnishes to the publisher of the advertisement his or its identification, in writing, together with the identification, in writing, of any person, corporation or trade union or registered party or constituency association sponsoring the political advertisement.

Inspection of publisher's records

(3) Any publisher who publishes a political advertisement shall maintain records for a period of two years after the date of publication setting forth such advertisement, the charge therefor and any material relating to identification furnished to him in connection therewith and shall permit the public to inspect such records during normal office hours.

Political advertisement

(4) For the purposes of subsections 2 and 3, "political advertisement" means any matter promoting or opposing any registered party or the election of any registered candidate but does not include any *bona fide* news stories (including interviews, commentaries or other works prepared for and published by any newspaper, magazine or other periodical publication the publication of which works are not paid for by or on behalf of any political party, constituency association or candidate).

Fund-raising events

24.—(1) In this section, "fund-raising function" includes suppers, dances, garden parties and any other social function held for the purpose of raising funds for the political party, constituency association or candidate registered under this Act by whom or on whose behalf the function is held.

Income to be reported

(2) The gross income from any fund-raising function shall be recorded and reported to the Commission by the chief financial officer of the political party, constituency association or candidate registered under this Act that held or on whose behalf the function was held.

When part of individual charge considered contribution

(3) Where an individual charge by the sale of tickets or otherwise is made for a fund-raising function, half of the charge shall be allowed for expenses and, where the amount of the other half of the charge exceeds $10, such amount shall be considered a contribution to the political party, constituency association or candidate registered under this Act that held or on whose behalf the function was held, provided that where the individual charge is $50 or more the amount allowed for expenses shall be $25 and the amount of the charge in excees of $25 shall be considered a contribution.

Funds raised

(4) Except as provided in subsection 3, funds raised by a fund-raising function shall be considered not to be contributions for the purposes of this Act.

Receipts

25. Every political party, constituency association or candidate registered under this Act shall issue or cause to be issued receipts as required by the Commission for every contribution accepted.

26.—(1) Any contribution to a political party, constituency association or candidate registered under this Act made through any unincorporated association or organization, except a trade union, shall be recorded by the unincorporated association or organization as to the individual sources and amounts making up such contribution. Group contributions

(2) The amounts making up a contribution under subsection 1 that are attributable to any person, corporation or trade union are contributions of such person, corporation or trade union for the purposes of this Act. Application of Act to amounts making up contribution

27. A registered party, and any of its constituency associations or official candidates registered under this Act may transfer to or accept funds, goods and services from each other and all such funds, goods and services accepted by such political party, constituency association or candidate shall be considered not to be contributions for the purposes of this Act but shall be recorded as to source and any funds accepted shall be deposited in the appropriate depository on record with the Commission. Transfer of funds, etc., among parties, constituency associations and candidates

28.—(1) No political party, constituency association or candidate registered under this Act and no person on its or his behalf shall knowingly accept any contributions in excess of the limits imposed by this Act. Parties, etc., not to receive contributions in excess of limitations

(2) Where the chief financial officer learns that any contribution was accepted by or on behalf of the political party, constituency association or candidate for whom he acts in excess of the limits imposed by this Act, he shall, within thirty days after learning thereof, return the contribution or an amount equal to the sum contributed. Return of contribution

29.—(1) No political party, constituency association or candidate registered under this Act shall, directly or indirectly, Contributions prohibited from outside Ontario and to persons, etc., outside Ontario

(*a*) knowingly accept contributions from any person normally resident outside Ontario, from any corporation that does not carry on business in Ontario or from a trade union other than a trade union as defined in this Act; or

(*b*) contribute or transfer funds to any political party, constituency association or candidate not registered under this Act.

(2) Where the chief financial officer learns that any contribution was accepted by or on behalf of the political party, constituency association or candidate for whom he acts from Return of contribution

any person normally resident outside Ontario or from any corporation that does not carry on business in Ontario, he shall, within thirty days after learning thereof, return the contribution or an amount equal to the sum contributed.

Annual membership fees

30. An annual membership fee paid for membership in a political party or in a constituency association of such party or in both shall not be considered as a contribution for the purposes of this Act provided such fee or, where a fee is paid to the party and to a constituency association of that party, the total of such fees does not exceed $10 and the political party and constituency association maintain a membership list indicating the amount of such fee or fees paid by each member that is allocated to the political party or constituency association, as the case may be.

Trade unions check-off

31. Contributions of not more than 10 cents per month by any member of a bargaining unit represented by a trade union through payroll deductions shall not be considered contributions from a person for the purposes of this Act, but any amounts contributed to a political party, constituency association or candidate registered under this Act from such funds shall be deemed to be a contribution from the trade union.

Who may receive contributions for candidate

32. No contribution shall be received by a registered candidate otherwise than through his chief financial officer or other person on record with the Commission as authorized to receive contributions.

Chief financial officer, of party or association

33.—(1) Every political party and constituency association that is applying for registration under this Act, before filing its application with the Commission, and every political party and constituency association that is deemed by section 13 to be registered under this Act, within 30 days after it is deemed to be registered, shall appoint a chief financial officer.

of candidate

(2) Every candidate shall appoint a chief financial officer for the purposes of this Act.

Idem

(3) Where a chief financial officer appointed pursuant to subsection 1 or 2 ceases for any reason to hold office as such, the political party, constituency association or candidate, as the case may be, shall forthwith appoint another chief financial officer.

Responsibilities

(4) The chief financial officer of a political party, constituency association and candidate registered under this Act in relation to the affairs of the party, constituency associa-

tion or candidate that appointed him, shall be responsible for ensuring that,

(*a*) proper records are kept of all receipts and expenditures;

(*b*) contributions are placed in the appropriate depository;

(*c*) proper receipts are completed and dealt with in accordance with this Act;

(*d*) the accounts and financial transactions are audited;

(*e*) financial statements are filed with the Commission in accordance with this Act; and

(*f*) contributions consisting of goods or services are valued and recorded in accordance with this Act.

Recording of contributions

34.—(1) Where any person, on behalf of a political party, constituency association or candidate registered under this Act accepts in any year,

(*a*) a single contribution in excess of $10; or

(*b*) contributions from a single source in any year, excluding any campaign period or part thereof in that year, or in any campaign period that in the aggregate exceed $10,

the chief financial officer shall record all such contributions and in the case of a single contribution of more than $100 and contributions from a single source in any year, excluding any campaign period or part thereof in that year, or in any campaign period that in the aggregate exceed $100, the name and address of the contributor.

Recording of contributions for election campaign to be separate from annual contributions

(2) All contributions referred to in subsection 1 accepted on behalf of a political party, constituency association or candidate registered under this Act during a campaign period in any year shall be recorded separately from other contributions accepted during that year.

Returns

(3) Every political party, constituency association and candidate registered under this Act shall file with the Commission,

(*a*) within the period during which a financial statement must be filed relating to a campaign period, a

return setting out all the information required to be recorded under subsections 1 and 2 by the political party, constituency association or candidate relating to the campaign period; and

(*b*) within the period during which an annual financial statement must be filed, a return setting out all the information required to be recorded under subsection 1, excluding the information required to be included in a return under clause *a*.

BORROWING

Borrowing by parties, etc.

35. A political party, constituency association or candidate registered under this Act may borrow from any chartered bank or other recognized lending institution provided that all such loans and the terms thereof are recorded by the political party, constituency association or candidate and reported by it or him to the Commission.

LOANS

Guarantee of loans to parties, etc., prohibited

36.—(1) No person, corporation, trade union, or unincorporated association or organization shall sign, co-sign or provide collateral responsibility for any loan, monetary obligation or indebtedness on behalf or in the interest of any political party, constituency association or candidate registered under this Act.

Parties, etc., not to accept loans

(2) No political party, constituency association or candidate registered under this Act shall receive any contribution from any person, corporation, trade union, or unincorporated association or organization in the form of a loan other than from a registered party or registered constituency association.

Exception

(3) Subsections 1 and 2 do not apply to a guarantee of a loan referred to in section 35.

CAMPAIGN ADVERTISING

Period of campaign advertising limited

37.—(1) No political party, constituency association or candidate registered under this Act and no person acting with its or his knowledge and consent shall, after the issue of a writ for an election and before the day immediately following polling day, except during the period of twenty-one days immediately preceding the day before polling day,

(*a*) advertise on the facilities of any broadcasting undertaking; or

(*b*) procure for publication, cause to be published or consent to the publication of, except during such period, an advertisement in a newspaper, magazine or other periodical publication or through the use of outdoor advertising facilities,

for the purpose of promoting or opposing any registered party or the election of a registered candidate.

Exceptions

(2) Subsection 1 does not apply,

(*a*) to advertising of public meetings in constituencies;

(*b*) to announcing constituency headquarters locations;

(*c*) to announcing services for voters by constituency associations respecting enumeration and revision of lists of voters; or

(*d*) to any other matter respecting administrative functions of constituency associations.

Rate to be charged to parties, constituency associations and candidates for advertising space

(3) No person or corporation shall charge a registered party, constituency association or candidate, or any person acting with its or his knowledge and consent, a rate for an advertisement in a periodical publication published or dispersed and made public in the period beginning on the twenty-first day before the day immediately before polling day and ending on the second day before polling day that exceeds the lowest rate charged by him or it for an equal amount of equivalent advertising space in the same issue of the periodical or in any other issue thereof published or disbursed and made public in that period.

Limitation on advertising costs

38. The total expenses incurred for advertising by a political party, constituency association or candidate registered under this Act, including advertising done by any person, corporation or trade union with the knowledge and consent of the political party, constituency association or candidate, by the use of time on the facilities of any broadcasting undertaking or by publishing in any newspaper, magazine or other periodical publication or by display through the use of any outdoor advertising facility shall not, during the period referred to in subsection 1 of section 37 exceed,

(*a*) by a registered party in relation to a general election, the aggregate amount determined by multiplying 25 cents by the number of names appearing on all of the revised lists of voters at the election for the electoral districts in which there is an official candidate of the party;

(*b*) by a registered party in relation to a by-election in an electoral district, the amount determined by multiplying 50 cents by the number of names appearing on the revised list of voters for the electoral district; and

(*c*) by,

(i) a registered constituency association of a registered party and the official candidate of such party in an electoral district, or

(ii) an independent candidate in an electoral district,

the amount determined by multiplying 25 cents by the number of names appearing on the revised list of voters for the electoral district.

FOUNDATION

Establishment of foundation

39.—(1) A political party may, prior to filing an application for registration under this Act, establish a non-profit corporation as a foundation for the purposes of receiving and managing the assets held by the political party immediately prior to filing such application provided that,

(*a*) all the assets of the foundation shall consist of deposits with The Province of Ontario Savings Office, a bank to which the *Bank Act* (Canada) applies or a trust company registered under *The Loan and Trust Corporations Act*;

R.S.C. 1970, c. B-1
R.S.O. 1970, c. 254

(*b*) income shall be restricted to interest on the deposits referred to in clause *a*;

(*c*) no funds or other property shall be received by or transferred to the foundation after the filing of an application for registration of that political party; and

(*d*) the foundation shall file with the Commission, on or before the 30th day of April in each year, a report of the expenditures of the foundation during the previous year.

Foundation funds not contributions

(2) Funds transferred by the foundation to a political party, constituency association or candidate are not contributions for the purposes of this Act but shall be recorded as to amount and source by the recipient of the funds.

AUDITORS

Appointment of auditor, by party or constituency association

40.—(1) Every candidate, at the time of appointment of his chief financial officer, and every registered party and registered constituency association, within thirty days after becoming registered under this Act, shall appoint an auditor licensed under *The Public Accountancy Act*. R.S.O. 1970, c. 373

Idem

(2) Where an auditor appointed pursuant to subsection 1 ceases for any reason to hold office as such, ceases to be qualified as provided in subsection 1 or becomes ineligible as provided in subsection 3, the candidate, party or constituency association, as the case may be, shall forthwith appoint another auditor.

Persons not eligible

(3) No returning officer, deputy returning officer or election clerk and no candidate, official agent or chief financial officer of a candidate or chief financial officer of a registered party or constituency association shall act as the auditor for a candidate or registered party or constituency association.

Auditor's report

(4) The auditor appointed pursuant to subsection 1 shall make a report to the chief financial officer of the candidate, political party or constituency association that appointed him and shall make such examinations as will enable him to state in his report whether in his opinion the report presents fairly the information contained in the accounting records on which the report is based.

Where statement required

(5) An auditor, in his report pursuant to subsection 4, shall make such statements as he considers necessary in any case where,

(*a*) he has not received from the chief financial officer all the information and explanation that he has required; or

(*b*) proper accounting records have not been kept by the chief financial officer so far as appears from his examination.

Right of access

(6) An auditor appointed pursuant to subsection 1 shall have access at all reasonable times to all records, documents, books, accounts and vouchers of the candidate, political party or constituency association that appointed him and is entitled to require from his or its chief financial officer such information and explanation as in his opinion may be necessary to enable him to report as required by subsection 4.

Audit subsidy

(7) The Commission shall subsidize the cost of auditors' services for constituency associations and candidates by paying,

(*a*) to the auditor of each constituency association in respect of an audit for the association under section 41 and under section 42, the lesser of $100 and the amount of the auditor's account to the association; and

(*b*) to the auditor of a candidate in respect of an audit for the candidate under section 42, the lesser of $250 and the amount of the auditor's account to the candidate.

AUDIT

Annual audit

41.—(1) The accounts and financial transactions, excluding campaign receipts and expenditures relating to an election during a campaign period, of every political party and constituency association registered under this Act shall be audited annually by an auditor licensed under *The Public Accountancy Act*.

R.S.O. 1970, c. 373

Annual filing of financial statement

(2) The chief financial officer of every political party and constituency association registered under this Act shall, on or before the 30th day of April in the year 1976 and in each year thereafter, file with the Commission an audited financial statement of the accounts and financial transactions in the previous year of the political party or constituency association for which he acts excluding campaign receipts and expenditures relating to an election during a campaign period.

Where registration within four months of end of year

(3) Where a political party or constituency association becomes registered under this Act within the last four months of any year, the financial statement filed with its application for registration shall be deemed compliance with subsection 1 in relation to that year.

Audit for campaign period

42.—(1) The accounts and financial transactions in relation to campaign receipts and expenditures relating to an election during a campaign period of every political party, constituency association and candidate registered under this Act shall be audited by an auditor licensed under *The Public Accountancy Act*.

Filing of financial statement re campaign period

(2) The chief financial officer of every political party, constituency association and candidate registered under this Act shall, within five months after polling day, file with the Commission an audited financial statement of the accounts

and financial transactions of the political party, constituency association or candidate for which he acts relating to the election during the campaign period.

By-elections

(3) In relation to a by-election, subsection 2 applies only to registered parties and constituency associations that received contributions or made expenditures in relation to such by-election and to registered candidates at such by-election.

Candidate

R.S.O. 1970, c. 142

(4) In this section, "candidate" means a person who is duly nominated as a candidate at an election in accordance with *The Election Act*.

Failure of candidate not elected to file statement

43.—(1) Where the chief financial officer of a registered candidate who is not declared elected fails to file an audited financial statement as required by section 42, the candidate, in addition to any other penalty, is ineligible to stand as a candidate at any election up to and including the next general election.

Failure of elected candidate to file statement

(2) Where the chief financial officer of a registered candidate who is elected as a member of the Assembly fails to file an audited financial statement in accordance with section 42, the Commission shall notify the Speaker who shall inform the Assembly and if the Assembly finds no mitigating reason for non-compliance, the member may not resume his seat in the Assembly until he or his chief financial officer has filed such statement with the Commission and the Commission has so notified the Speaker, and, in addition, the member is liable to any other penalty that may be imposed under any Act.

PUBLIC FUNDING OF CANDIDATE EXPENSES

Reimbursement of election expenses

44.—(1) Every registered candidate in an electoral district who receives at least 15 per cent of the popular vote in such electoral district is entitled to be reimbursed by the Commission by the lesser of his election expenses as shown on his audited financial statement filed with the Commission or the amount that is the aggregate of 16 cents for each of the first 25,000 voters in his electoral district and 14 cents for each voter in excess of 25,000 in his electoral district.

Idem

(2) In relation to candidates in the electoral districts of Cochrane North, Rainy River, Kenora and Thunder Bay, the amount determined under subsection 1 shall be increased by $2,500.

No reimbursement unless financial statement filed

(3) A candidate is not entitled to be reimbursed for expenses under subsection 1 unless he or his chief financial officer has filed an audited financial statement as required by section 42 and the Commission is satisfied that such statement meets the requirements of this Act.

Moneys to be applied to discharge debts of candidate

(4) Where the candidate's financial statement shows a deficit and the candidate is entitled to be reimbursed for expenses under subsection 1, the moneys payable to his chief financial officer shall be first applied to discharge the debts creating the deficit.

Surplus in candidate's account

(5) Any surplus, determined by taking into account in the financial statement of an official candidate for a registered party the moneys paid to the candidate's chief financial officer under this section, shall be paid over to one or more registered parties or registered constituency associations.

Voter

(6) In this section "voter" in an electoral district means a person whose name appears on the revised list of voters for that electoral district.

FORMS

Form

45. All applications, returns, statements, balance sheets, and other documents required to be filed with the Commission shall be filed in the form prescribed therefor by the Commission.

OFFENCES

Offence by chief financial officer

46.—(1) The chief financial officer of a political party, constituency association or candidate registered under this Act who contravenes section 41 or 42 is guilty of an offence and on summary conviction is liable to a fine of not more than $1,000.

Offence by party or constituency association

(2) Where any contravention of this Act that is an offence by virtue of subsection 1 is committed by a chief financial officer of a political party, constituency association or candidate registered under this Act, the political party or constituency association or candidate for which the chief financial officer acts is guilty of an offence and on summary conviction is liable,

(*a*) in the case of a registered party, to a fine of not more than $2,000; and

(*b*) in the case of a registered constituency association or registered candidate, to a fine of not more than $1,000.

47. Every corporation or trade union that contravenes any of the provisions of this Act is guilty of an offence and on summary conviction is liable to a fine of not more than $10,000. Offence by corporation or union

48. Every person, political party or constituency association that contravenes any of the provisions of this Act, for which contravention no penalty is otherwise provided, is guilty of an offence and on summary conviction is liable to a fine of not more than $1,000. General offence

49. No person shall obstruct a person making an investigation or examination under this Act or withhold from him or conceal or destroy any books, papers, documents or things relevant to the subject-matter of the investigation or examination. Offence for obstructing investigation

50. No person shall knowingly make a false statement in any application, return, financial statement or other document filed with the Commission under this Act. Offence for false statement

51. No person shall knowingly give false information to a chief financial officer or other person authorized to accept contributions. Offence for false information

52.—(1) A prosecution for an offence under this Act may be instituted against a political party, constituency association or trade union in the name of the political party, constituency association or trade union and for the purposes of any such prosecution, a political party, constituency association or trade union shall be deemed to be a person. Style of prosecution of party, constituency association or union

(2) Any act or thing done or omitted by an officer, official or agent of a political party, constituency association or trade union within the scope of his authority to act on behalf of the political party, constituency association or trade union shall be deemed to be an act or thing done or omitted by the political party, constituency association or trade union. Vicarious responsibility

53.—(1) Subsection 1 of section 158 of *The Election Act*, being chapter 142 of the Revised Statutes of Ontario, 1970, as renumbered by the Statutes of Ontario, 1971, chapter 100, section 10, is amended by striking out "No contribution, payment, loan, gift, advance or deposit of money or its equivalent in excess of $50 shall be received by or on behalf of a candidate and" in the first, second and third lines. R.S.O. 1970, c. 142, s. 158 (1), amended

(2) Section 161 of the said Act, as renumbered by the Statutes of Ontario, 1971, chapter 100, section 10, is repealed. s. 161, repealed

Commencement

54.—(1) This Act, except sections 1 and 13, sections 17 to 22, subsection 1 of section 23, section 24, sections 26 to 31, sections 33 to 36, sections 47, 48, 51, 52 and 53, comes into force on the day it receives Royal Assent.

Idem

(2) Sections 1 and 13, sections 17 to 22, subsection 1 of section 23, section 24, sections 26 to 31, sections 33 to 36, sections 47, 48, 51, 52 and 53 shall be deemed to have come into force at 3:00 o'clock in the afternoon on the 13th day of February, 1975.

Short title

55. This Act may be cited as *The Election Finances Reform Act, 1975*.

An Act to regulate
Political Party Financing and
Election Contributions and Expenses

1st Reading

March 13th, 1975

2nd Reading

3rd Reading

THE HON. J. WHITE
Minister without Portfolio

(*Government Bill*)

1975

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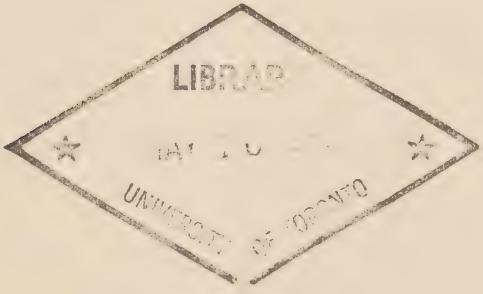
BILL 5 **Private Member's Bill**

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to amend The Interpretation Act

MR. FOULDS



TORONTO
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Explanatory Note

The purpose of the Bill is to make election days in Ontario, whether they are municipal, provincial or federal, statutory holidays.

BILL 5 **1975**

An Act to amend The Interpretation Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Paragraph 11 of section 30 of *The Interpretation Act*, being chapter 225 of the Revised Statutes of Ontario, 1970, is amended by inserting after "Remembrance Day" in the sixth line "any day on which a municipal, provincial or federal election is being held". s. 30, par. 11, amended

2. This Act comes into force on the day it receives Royal Assent. Commencement

3. This Act may be cited as *The Interpretation Amendment Act, 1975*. Short title

An Act to amend
The Interpretation Act

1st Reading

March 13th, 1975

2nd Reading

3rd Reading

MR. FOULDS

(*Private Member's Bill*)

1975

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BILL 6 **Private Member's Bill**

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to amend The Highway Traffic Act

MR. FOULDS



TORONTO
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Explanatory Note

The Bill limits the power to make regulations prohibiting the use of studded tires in the named territorial districts.

BILL 6 **1975**

An Act to amend The Highway Traffic Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Clause *d* of subsection 1 of section 44 of *The Highway Traffic Act*, being chapter 202 of the Revised Statutes of Ontario, 1970, is amended by adding at the commencement thereof "Subject to subsection 4". s. 44 (1) (*d*), amended

(2) The said section 44 is amended by adding thereto the following subsections: s. 44, amended

(4) A regulation made under clause *d* of subsection 1 shall be deemed not to prohibit the use of studded tires on a highway in the territorial districts of Algoma, Cochrane, Kenora, Nipissing, Rainy River, Sudbury, Thunder Bay or Timiskaming during the period commencing with the 1st day of October in any year and ending with the 1st day of May in the following year. Exception

(5) In subsection 4, "studded tire" means a tire into the tread of which has been imbedded hard material devices none of which is more than one-quarter of an inch in diameter and none of which projects more than one-sixteenth of an inch beyond the tread of the tire. Interpretation

2. This Act comes into force on the day it receives Royal Assent. Commencement

3. This Act may be cited as *The Highway Traffic Amendment Act, 1975*. Short title

An Act to amend
The Highway Traffic Act

1st Reading

March 13th, 1975

2nd Reading

3rd Reading

MR. FOULDS

(*Private Member's Bill*)

1975

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BILL 7 **Private Member's Bill**

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to amend The Power Corporation Act

MRS. CAMPBELL

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Explanatory Note

The purpose of the Bill is to provide a means by which repairs can be made on a premises by the Corporation where the owner refuses to carry out the repairs himself. The costs of the repairs would be a debt owing by the owner of the premises.

BILL 7 **1975**

An Act to amend The Power Corporation Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Section 94 of *The Power Corporation Act*, being chapter 354 of the Revised Statutes of Ontario, 1970, is amended by adding thereto the following subsections: s. 94, amended

(10*a*) Where an order under subsection 5 has not been complied with within ten days of the issuance of the order, the Corporation or such person or persons as may be appointed by the Corporation may enter upon and cause any work to be done to the works or matters as is necessary to comply with the order. Corporation may do repairs

(10*b*) Every person who disobeys or refuses or neglects to carry out any of the provisions of any order made under subsection 5 is guilty of an offence and on summary conviction is liable to a fine of not more than $1,000 or to imprisonment for a term of not more than three months, or to both, and such person is also liable to the Corporation for any cost and expenses incurred by the Corporation in endeavouring to carry out the order. Offences

(10*c*) The cost and expenses for which a person is liable under subsection 10*b* are recoverable with costs in any court of competent jurisdiction as a debt due, but where the amount claimed does not exceed $1,000 and proceedings are taken under *The Summary Convictions Act* in respect of the disobedience, refusal or neglect, the provincial judge, upon making a conviction, may order payment of such amount to the Corporation and every such order may be enforced in the same manner as a small claims court judgment. Recovery of expenses R.S.O. 1970, c. 450

(2) Subsection 11 of the said section 94 is amended by adding at the commencement thereof "Except as provided in subsection 10*b*". s. 94 (11), amended

Commencement

2. This Act comes into force on the day it receives Royal Assent.

Short title

3. This Act may be cited as *The Power Corporation Amendment Act, 1975*.

An Act to amend
The Power Corporation Act

1st Reading

March 13th, 1975

2nd Reading

3rd Reading

MRS. CAMPBELL

(*Private Member's Bill*)

1975

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BILL 8

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to amend The Pollution Abatement Incentive Act

THE HON. W. NEWMAN
Minister of the Environment



TORONTO
PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

BILL 8 **1975**

An Act to amend The Pollution Abatement Incentive Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 11 of *The Pollution Abatement Incentive Act*, being chapter 352 of the Revised Statutes of Ontario, 1970, is repealed and the following substituted therefor: s. 11, re-enacted

11.—(1) Grants shall be made, Date of installation

(*a*) under section 2, only in relation to equipment for the abatement of pollution or the treatment or disposal of waste that is installed and made operational; or

(*b*) under section 5, only in relation to a change referred to in section 5 that is made,

before the 1st day of April, 1976.

(2) Notwithstanding section 7, no application for a grant under this Act may be made later than the 1st day of June, 1976. Date of application

2. This Act comes into force on the day it receives Royal Assent. Commencement

3. This Act may be cited as *The Pollution Abatement Incentive Amendment Act, 1975*. Short title

An Act to amend
The Pollution Abatement
Incentive Act

1st Reading

March 14th, 1975

2nd Reading

March 25th, 1975

3rd Reading

March 25th, 1975

THE HON. W. NEWMAN
Minister of the Environment

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BILL 9 **Private Member's Bill**

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to establish a Medical Data Bank

MR. NEWMAN
(Windsor-Walkerville)

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Explanatory Note

The Bill establishes a medical data bank in which would be stored the medical histories of persons in Ontario. The data bank would be of great assistance to doctors and hospitals where a patient moves to another city, changes doctors or is involved in an accident. Participation in the use of the data bank would be on a voluntary basis only.

BILL 9 **1975**

An Act to establish a Medical Data Bank

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. In this Act, Interpretation

(*a*) "medical data bank" means the medical data bank operated and maintained under this Act;

(*b*) "Ministry" means the Ministry of Health;

(*c*) "public hospital" means a hospital approved as a public hospital under *The Public Hospitals Act*; R.S.O. 1970, c. 378

(*d*) "regulations" means the regulations made under this Act.

2. The Ministry shall operate and maintain a medical data bank, in the form of a computer, in which shall be stored the information fed into it concerning medical histories. Medical data bank established

3. Every public hospital shall maintain an outlet of the medical data bank into which may be placed the medical histories of persons using the hospital in the form prescribed by the regulations. Data bank outlet in each hospital

4.—(1) A medical history of a person shall not be stored in the medical data bank without the written consent of the person whose medical history is to be stored. Consent required

(2) The medical history of a person shall not be removed from the medical data bank without the written consent of his legally qualified medical practitioner. Idem

5. Any person may apply to the Ministry directly to have his medical history stored in the medical data bank. Application to Ministry

Ministry must file medical history in data bank

6. Where a person applies to have his medical history stored in the medical data bank under section 4, the Ministry shall accept the information for storage where it is in the form prescribed by the regulations.

Offence

7. Every person who,

(*a*) knowingly, furnishes false information in any application under this Act or the regulations;

(*b*) fails to comply with any other requirement made under this Act; or

(*c*) contravenes any provision of this Act or the regulations,

is guilty of an offence and on summary conviction is liable to a fine of not more than $1,000 or to imprisonment for a term of not more than one year, or to both.

Regulations

8. The Lieutenant Governor in Council may make regulations,

(*a*) prescribing the type, form and style of information that may be stored in the medical data bank;

(*b*) requiring that persons use their social insurance numbers as identification when using the medical data bank; and

(*c*) requiring that information that is fed into the medical data bank be prepared by a legally qualified medical practitioner or under the supervision of a legally qualified medical practitioner at the written request of the individual concerned.

Commencement

9. This Act comes into force on the day it receives Royal Assent.

Short title

10. This Act may be cited as *The Medical Data Bank Act, 1975*.

An Act to establish
a Medical Data Bank

1st Reading

March 14th, 1975

2nd Reading

3rd Reading

MR. NEWMAN
(Windsor-Walkerville)

(*Private Member's Bill*)

1975

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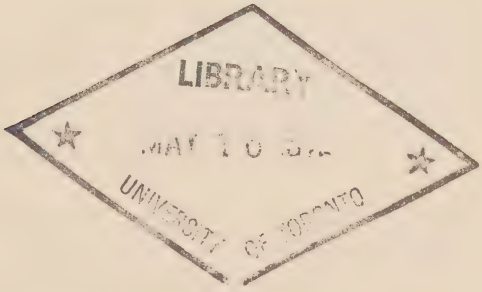
BILL 10 **Private Member's Bill**

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to relieve Persons from Liability in respect of voluntary Emergency Medical and First Aid Services

MR. HAGGERTY



TORONTO
PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

Explanatory Note

The purpose of this Bill is to relieve persons from liability in respect of voluntary emergency first aid assistance or medical services rendered at or near the scene of an accident or other sudden emergency.

BILL 10 **1975**

An Act to relieve Persons from Liability in respect of voluntary Emergency Medical and First Aid Services

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. In this Act, Interpretation

(*a*) "physician" means a legally qualified medical practitioner;

(*b*) "registered nurse" has the same meaning as defined in section 69 of *The Health Disciplines Act, 1974*. 1974, c. 47

2. Where, in respect of a person who is ill, injured or unconscious as the result of an accident or other sudden emergency, Relief from liability for damages

(*a*) a physician or registered nurse voluntarily and without expectation of compensation or reward renders emergency medical services or first aid assistance and such services or assistance are not rendered at a hospital or other place having adequate medical facilities and equipment; or

(*b*) a person other than a person mentioned in clause *a* voluntarily renders emergency first aid assistance and such assistance is rendered at the immediate scene of the accident or emergency,

the physician, registered nurse or other person shall not be liable for damages for injuries to or the death of such person alleged to have been caused by an act or omission on his part in rendering the medical services or first aid assistance, unless such acts constitute wilful or wanton misconduct on his part.

Act does not apply to normal medical services

3. Nothing in section 2 shall be deemed to relieve a physician from liability for damages for injuries to or the death of any person caused by an act or omission on the part of the physician in respect of medical services rendered by him in the normal and ordinary course of his practice and not under the circumstances set forth in section 2.

Commencement

4. This Act comes into force on the day it receives Royal Assent.

Short title

5. This Act may be cited as *The Good Samaritan Act, 1975*.

An Act to relieve
Persons from Liability in respect of
voluntary Emergency Medical and
First Aid Services

1st Reading

March 14th, 1975

2nd Reading

3rd Reading

MR. HAGGERTY

(*Private Member's Bill*)

1975

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BILL 11 **Private Member's Bill**

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to provide for the Establishment of Safety Committees

MR. HAGGERTY

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Explanatory Note

Self-explanatory.

BILL 11 **1975**

An Act to provide for the Establishment of Safety Committees

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

Interpretation

1. In this Act, "Minister" means the Minister of Labour.

Safety committee established

2. Every industry shall establish a safety committee which shall have equal representation from both the employers and employees in the industry.

Duties of safety committee

3. Every safety committee, upon the request of the Minister, shall advise him respecting the safety of workers in the industry which it represents and, without restricting the generality of the foregoing, inquire into and advise him upon any laws respecting the safety of workers in the industry with a view to the improvement, clarification or extension of the existing laws or the enactment of new laws or inquire into and advise him upon any matter designed to co-ordinate the functions of all bodies concerned with the safety of workers.

Notification where accident or injury

4. Where an accident or injury occurs on a job site, the foreman or person in charge of the job site shall forthwith notify the safety committee representing the particular industry that an accident or injury has occurred.

Idem

5. Where a safety committee receives a report concerning an accident or injury on a job site, the committee shall report in writing to the Minister that an accident or injury has occurred and outline any recommendations it may have as to the future prevention of a similar accident or injury.

Commencement

6. This Act comes into force on the day it receives Royal Assent.

Short title

7. This Act may be cited as *The Safety Committees Act, 1975*.

An Act to provide for the
Establishment of Safety Committees

1st Reading

March 17th, 1975

2nd Reading

3rd Reading

Mr. Haggerty

(*Private Member's Bill*)

1975

CA2ON
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-B56

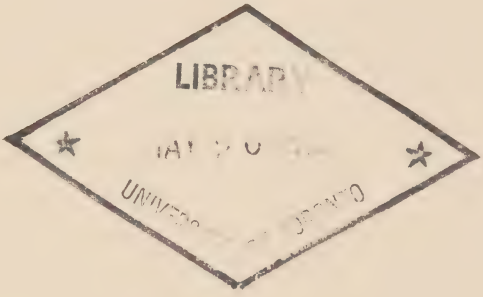
BILL 12

5th Session, 29th Legislature, Ontario
24 Elizabeth II, 1975

Ontario. Legislative Assembly

An Act to amend The Highway Traffic Amendment Act, 1974

The Hon. J. R. Rhodes
Minister of Transportation and Communications



TORONTO
Printed by J. C. Thatcher, Queen's Printer for Ontario

BILL 12 **1975**

An Act to amend The Highway Traffic Amendment Act, 1974

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 3 of section 38 of *The Highway Traffic Amendment Act, 1974* (*No. 2*), being chapter 123, is repealed and the following substituted therefor: s. 38 (3), re-enacted

(3) Section 29 comes into force on the 1st day of September, 1975. Idem

2. This Act comes into force on the day it receives Royal Assent. Commencement

3. This Act may be cited as *The Highway Traffic Amendment Act, 1975*. Short title

An Act to amend
The Highway Traffic Amendment
Act, 1974

1st Reading

March 18th, 1975

2nd Reading

March 25th, 1975

3rd Reading

March 25th, 1975

The Hon. J. R. Rhodes
Minister of Transportation
and Communications

1975

CA2ON
XB
-B56

Government
Publications

BILL 13

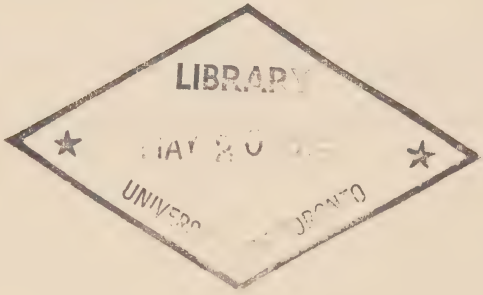
Private Member's Bill

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to amend The Employment Standards Act, 1974

MR. NEWMAN
(Windsor-Walkerville)



TORONTO
PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

Explanatory Note

The purpose of the Bill is to establish a regular working week of 40 hours.

BILL 13 **1975**

An Act to amend The Employment Standards Act, 1974

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Sections 17 and 18 of *The Employment Standards Act, 1974*, being chapter 112, are repealed and the following substituted therefor: ss. 17, 18, re-enacted

17. Except as otherwise provided in this Part, and subject to any schedule in force under *The Industrial Standards Act*, the hours of work of an employee shall not exceed eight in the day and forty in the week. Maximum working hours R.S.O. 1970, c. 221

18. An employer may, with the approval of the Director, and upon such terms and conditions as the Director prescribes, adopt a regular day of work in excess of eight hours but not in excess of twelve hours, provided that the total hours of work of each employee shall not exceed forty hours in a week. Variation of working day

2. This Act comes into force on the day it receives Royal Assent. Commencement

3. This Act may be cited as *The Employment Standards Amendment Act, 1975*. Short title

An Act to amend
The Employment Standards Act, 1974

1st Reading

March 21st, 1975

2nd Reading

3rd Reading

MR. NEWMAN
(Windsor-Walkerville)

(*Private Member's Bill*)

1975

CA2ON
XB
-B56

Government
Publications

BILL 14

Government Bill

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

The Environmental Assessment Act, 1975

THE HON. W. NEWMAN
Minister of the Environment



TORONTO
PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

Explanatory Note

The Bill provides for assessment of the effects on the environment of undertakings that consist of major commercial or business enterprises or activities or proposals, plans or programs in respect thereof and enterprises or activities or proposals, plans or programs in respect thereof by or on behalf of Her Majesty in right of Ontario, by a public body or public bodies or by a municipality or municipalities after, firstly, the Act has been proclaimed applicable to such undertakings by or on behalf of Her Majesty, a public body or public bodies, a municipality or municipalities or another person or persons and secondly, such enterprises or activities or proposals, plans or programs are designated by the regulations as undertakings to which the Bill applies.

Environment is defined to mean the human as well as the natural environment of Ontario.

The proponent of an undertaking to which the Bill applies is required to submit to the Minister an environmental assessment of the undertaking and is prohibited from proceeding with the undertaking until the environmental assessment has been accepted by the Minister and the Minister has given approval to proceed with the undertaking.

Where the Minister is of the opinion that an environmental assessment is unsatisfactory to enable a decision to be made as to whether to give approval to proceed with the undertaking, the Minister is required to give notice to the proponent that the Minister proposes to amend the assessment.

A proponent of an undertaking who receives notice that the Minister proposes to amend his environmental assessment of the undertaking may require the Minister to remit the matter to the Environmental Assessment Board established under the Bill for a hearing. The Minister may also require the Board to hold a hearing with respect to any undertaking to which the Act applies and, where no other hearing has been held under the provisions of the Bill, a proponent may require the Minister to remit the matter to the Board for a hearing with respect to approval to proceed with the undertaking and the terms and conditions of such an approval.

Where the Minister proposes to amend an environmental assessment and the proponent does not require a hearing, the Minister is required to amend and accept the environmental assessment. The matters to be considered by the Minister in so doing are set out in the Bill.

Hearings by the Board are open to the public except where the Board is of the opinion that, because matters of public security or intimate financial or personal or other matters may be disclosed, it is more desirable to hold a hearing *in camera*.

After holding a hearing, the Board is required to make a report for the information and advice of the Minister. The report is to include a summary of the information presented and the views expressed at the hearing and the recommendations and reasons of the Board.

After the Minister has accepted an environmental assessment of an undertaking, the Minister may, with the approval of the Lieutenant Governor in Council, give approval to proceed with the undertaking, with or without imposing terms and conditions, or refuse to give approval to proceed.

An undertaking to which the Bill applies may not be proceeded with contrary to any terms or conditions imposed.

The Bill also prohibits the issuing or granting of a licence, permit, approval, permission or consent that is required in order to proceed with a designated undertaking and prohibits the approving, making or giving of a loan, guarantee, grant or subsidy by Ontario or any agency thereof, with respect to a designated undertaking unless an environmental assessment of the undertaking has been submitted to and accepted by the Minister and the Minister has given approval to proceed with the undertaking. The Bill further provides that no person shall give, make, issue, interpret or apply any licence, permit, approval, permission, consent, loan, guarantee, grant or subsidy that is required in order to proceed with an undertaking contrary to any term or condition imposed by the Minister in giving approval to proceed with the undertaking.

BILL 14 **1975**

The Environmental Assessment Act, 1975

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

PART I

INTERPRETATION AND APPLICATION

1. In this Act, Interpretation

(*a*) "air" includes enclosed air;

(*b*) "Board" means the Environmental Assessment Board established under Part III;

(*c*) "environment" means,

(i) air, land or water,

(ii) plant and animal life, including man,

(iii) the social, economic and cultural conditions that influence the life of man or a community,

(iv) any building, structure, machine or other device or thing made by man,

(v) any solid, liquid, gas, odour, heat, sound, vibration or radiation resulting directly or indirectly from the activities of man, or

(vi) any part or combination of the foregoing and the interrelationships between any two or more of them,

in or of Ontario;

(*d*) "environmental assessment", when used in relation to an undertaking, means an environmental assessment submitted pursuant to subsection 1 of section 5;

(*e*) "land" includes enclosed land, land covered by water and subsoil;

(*f*) "Minister" means the Minister of the Environment;

(*g*) "Ministry" means the Ministry of the Environment;

(*h*) "municipality" means the corporation of a county, metropolitan area, regional area, district area, city, town, village, township or improvement district and includes a local board as defined in *The Municipal Affairs Act* and a board, commission or other local authority exercising any power with respect to municipal affairs or purposes, including school purposes, in an unorganized township or unsurveyed territory;

R.S.O. 1970, c. 118

(*i*) "person" includes a municipality, Her Majesty in right of Ontario, a Crown agency within the meaning of *The Crown Agency Act*, a public body, a partnership, an unincorporated joint venture and an unincorporated association;

R.S.O. 1970, c. 100

(*j*) "proceed" includes "carry on";

(*k*) "proponent" means a person who,

(i) carries out or proposes to carry out an undertaking, or

(ii) is the owner or person having charge, management or control of an undertaking;

(*l*) "provincial officer" means a person designated by the Minister as a provincial officer under Part IV;

(*m*) "public body" means a body other than a municipality that is defined as a public body by the regulations;

(*n*) "regulations" means the regulations made under this Act;

(*o*) "undertaking" means,

(i) an enterprise or activity or a proposal, plan or program in respect of an enterprise or activity

by or on behalf of Her Majesty in right of Ontario or by a public body or public bodies,

(ii) an enterprise or activity or a proposal, plan or program in respect of an enterprise or activity of a municipality or municipalities, or

(iii) a major commercial or business enterprise or activity or a proposal, plan or program in respect of a major commercial or business enterprise or activity of a person or persons other than a person or persons referred to in subclause i or ii,

that is designated by the regulations;

(*p*) "water" means surface water and ground water, or either of them.

Purpose of Act

2. The purpose of this Act is the betterment of the people of the whole or any part of Ontario by providing for the protection, conservation and wise management in Ontario of the environment.

Application of Act

3. This Act applies to,

(*a*) enterprises or activities or proposals, plans or programs in respect of enterprises or activities by or on behalf of Her Majesty in right of Ontario or by a public body or public bodies;

(*b*) enterprises or activities or proposals, plans or programs in respect of enterprises or activities of a municipality or municipalities;

(*c*) major commercial or business enterprises or activities or proposals, plans or programs in respect of major commercial or business enterprises or activities of a person or persons other than a person referred to in clause *a* or *b*,

that are designated by the regulations only on and after a day or days to be named in a proclamation or proclamations of the Lieutenant Governor.

The Crown

4. This Act binds the Crown.

PART II

ACCEPTANCE, AMENDMENT, APPROVAL

Submission of environmental assessment

5.—(1) The proponent of an undertaking to which this Act applies shall submit to the Minister an environmental assessment of the undertaking and shall not proceed with the undertaking until,

(*a*) the environmental assessment has been accepted by the Minister; and

(*b*) the Minister has given his approval to proceed with the undertaking.

Exception

(2) Subsection 1 does not prohibit a feasibility study, including research, or any action necessary to comply with this Act before the approval of the Minister is given to proceed with an undertaking.

Content of environmental assessment

(3) An environmental assessment submitted to the Minister pursuant to subsection 1 shall consist of,

(*a*) a description of the purpose of the undertaking;

(*b*) a description of and a statement of the rationale for,

(i) the undertaking,

(ii) the alternative methods of carrying out the undertaking, and

(iii) the alternatives to the undertaking;

(*c*) a description of,

(i) the environment that will be affected or that might reasonably be expected to be affected, directly or indirectly,

(ii) the effects that will be caused or that might reasonably be expected to be caused to the environment, and

(iii) the actions necessary or that may reasonably be expected to be necessary to prevent, change, mitigate or remedy the effects upon or the effects that might reasonably be expected upon the environment,

by the undertaking, the alternative methods of carrying out the undertaking and the alternatives to the undertaking; and

(*d*) an evaluation of the advantages and disadvantages to the environment of the undertaking, the alternative methods of carrying out the undertaking and the alternatives to the undertaking.

Where licences, etc., not to be issued

6.—(1) Where a proponent is required under this Act to submit to the Minister an environmental assessment of an undertaking,

(*a*) a licence, permit, approval, permission or consent that is required under any statute, regulation, by-law or other requirement of the Province of Ontario, an agency thereof, a municipality or a regulatory authority, in order to proceed with the undertaking shall not be issued or granted; and

(*b*) if it is intended that the Province of Ontario or any agency thereof will provide a loan, a guarantee of repayment of a loan, a grant or a subsidy with respect to the undertaking, the loan, guarantee, grant or subsidy shall not be approved, made or given,

unless,

(*c*) the environmental assessment has been submitted to and accepted by the Minister; and

(*d*) the Minister has given approval to proceed with the undertaking.

Exception

(2) Subsection 1 does not apply to,

(*a*) a licence, permit, approval, permission or consent;

(*b*) a loan, guarantee, grant or subsidy,

in relation to a feasibility study, including research, or for any action necessary to comply with this Act before the approval of the Minister is given to proceed with the undertaking.

Preparation of review and notice

7.—(1) Where an environmental assessment of an undertaking is submitted by a proponent to the Minister, the Minister,

(*a*) shall cause a review of the assessment to be prepared; and

(*b*) shall give notice of,

(i) the receipt of the assessment,

(ii) the preparation of the review,

(iii) the place or places where the assessment and review may be inspected, and

(iv) such other matters as the Minister considers necessary or advisable,

to the proponent, the clerk of each municipality in which the undertaking is being or will be carried out and to such other persons and in such manner as the Minister may consider necessary or advisable.

Inspection of environmental assessment

(2) Any person may inspect an environmental assessment of an undertaking and the review thereof in accordance with the terms of the notice referred to in subsection 1 and may make submissions to the Minister with respect thereto within fifteen days of the giving of the notice or within such longer period as may be stated in the notice.

Withdrawal of environmental assessment

(3) A proponent may withdraw or amend an environmental assessment at any time prior to the day on which notice is given under subsection 1 and thereafter may withdraw or amend an environmental assessment with the consent of the Minister and subject to such terms and conditions as the Minister may by order impose.

Matters to be considered by the Minister

8. The Minister, in determining whether to accept or to amend and accept an environmental assessment, shall consider the environmental assessment submitted to him, the review thereof, the submissions, if any, made with respect thereto, any reports required by and submitted to him, any further review that the Minister has caused to be prepared and, where the Minister has required the Board to hold a hearing or hearings in respect of the undertaking, the report or reports made by the Board to him.

Notice of acceptance of environmental assessment

9. Where, after considering the matters set out in section 8, the Minister is of the opinion that the environmental assessment is satisfactory to enable a decision to be made as to whether approval to proceed with the undertaking with respect to which the environmental assessment is submitted should or should not be given or should be given subject to terms and conditions, the Minister shall accept the assessment and give notice thereof to the proponent.

Notice of proposal to amend environmental assessment

10.—(1) Where, after considering the matters set out in section 8, the Minister is of the opinion that the environmental assessment does not comply with this Act or the regulations, is inconclusive or is otherwise unsatisfactory to enable a decision to be made as to whether approval to proceed with the undertaking with respect to which the environmental assessment is submitted should or should not be given or should be given subject to terms and conditions, the Minister shall give notice to the proponent that the Minister proposes to amend the environmental assessment, together with written reasons therefor including particulars of the amendments that the Minister proposes to make in the environmental assessment and, subject to section 12, the Minister shall so amend and accept the environmental assessment but, where a hearing is held and a report is made to the Minister by the Board pursuant to section 12 or subsection 1 of section 13, the Minister may accept or amend and accept the environmental assessment.

Notice of amendment and acceptance of environmental assessment

(2) The Minister shall give notice of the acceptance or the amendment and acceptance of the environmental assessment pursuant to subsection 1, and where the assessment is amended a copy of the assessment as amended and accepted together with written reasons therefor, to the proponent.

Minister may order research, etc., and reports

11. Where, before accepting an environmental assessment, the Minister is of the opinion that the environmental assessment as submitted does not comply with this Act or the regulations, is inconclusive or is otherwise unsatisfactory to enable a decision to be made as to whether approval to proceed with the undertaking with respect to which the environmental assessment is submitted should or should not be given or should be given subject to terms and conditions, the Minister may by order require the proponent to carry out such research, investigations, studies and monitoring programs related to the undertaking in respect of which the environmental assessment is submitted and to submit such reports thereon as the Minister considers necessary, and upon submission of the reports to the Minister they shall be incorporated as part of the environmental assessment and the review thereof that the Minister caused to be prepared may be revised accordingly.

Notice

12.—(1) A notice that the Minister proposes to amend an environmental assessment shall state that the proponent may, by written notice delivered to the Minister within fifteen days after the service of the notice of proposal to amend, require a hearing by the Board and the proponent may so require such a hearing.

Hearing

(2) Upon receipt of a notice requiring a hearing pursuant to subsection 1, the Minister shall, by notice in writing, require the Board to hold a hearing with respect to,

(*a*) the acceptance or amendment and acceptance of the environmental assessment;

(*b*) whether approval to proceed with the undertaking in respect of which the environmental assessment was submitted should or should not be given; and

(*c*) whether the approval mentioned in clause *b* should be given subject to terms and conditions and, if so, the provisions of such terms and conditions.

Idem

(3) Upon receipt of notice from the Minister, the Board shall appoint a time for, shall give reasonable notice to the proponent and to the Minister and such other notice as the Minister may direct or the Board considers proper and shall hold a hearing with respect to the subject-matter of the notice of the Minister and shall report thereon to the Minister.

Report

(4) The report of the Board shall contain a summary of the information presented and the views expressed at the hearing and its recommendations in respect of the subject-matter of the hearing, together with its reasons therefor.

Other hearings

13.—(1) The Minister, by notice in writing and on such terms and conditions as he may direct, may require the Board to hold a hearing or hearings at any time or times in respect of any undertaking to which this Act applies and the Board shall give reasonable notice to the proponent and to the Minister and such other notice as the Minister may direct or the Board considers proper, hold the hearing or hearings and report to the Minister thereon in the same manner and subject to the same provisions, as near as possible, as for a hearing upon a proposal to amend an environmental assessment.

Idem

(2) Where a hearing has not been held pursuant to subsection 1 or section 12, the proponent of an undertaking to which this Act applies may, by written notice delivered to the Minister within fifteen days after receipt of the notice mentioned in section 9 or the notice of amendment and acceptance mentioned in subsection 2 of section 10, require a hearing by the Board with respect to,

(*a*) whether approval to proceed with the undertaking in respect of which the environmental assessment was submitted should or should not be given; and

(*b*) whether the approval mentioned in clause *a* should be given subject to terms and conditions and, if so, the provisions of such terms and conditions,

and the Minister upon receipt of the notice of the proponent shall, by notice in writing, require the Board to hold the hearing and the Board upon receipt of the notice of the Minister shall appoint a time for, shall give reasonable notice to the proponent and to the Minister and such other notice as the Minister may direct or the Board considers proper and shall hold a hearing with respect to the subject-matter of the notice of the Minister and shall report to the Minister thereon in the same manner and subject to the same provisions, as nearly as possible, as apply in respect of a hearing upon a proposal to amend an environmental assessment.

Approval to proceed

14.—(1) Where the Minister has accepted an environmental assessment of an undertaking, the Minister may, with the approval of the Lieutenant Governor in Council or of such other Ministers as the Lieutenant Governor in Council may designate,

(*a*) give approval to proceed with the undertaking;

(*b*) give approval to proceed with the undertaking subject to such terms and conditions as the Minister considers necessary to carry out the purpose of this Act and in particular requiring or specifying,

(i) the methods and phasing of the carrying out of the undertaking,

(ii) the works or actions to prevent, mitigate or remedy effects of the undertaking on the environment,

(iii) such research, investigations, studies and monitoring programs related to the undertaking, and reports thereof, as he considers necessary,

(iv) such changes in the undertaking as he considers necessary,

(v) that the proponent enter into one or more agreements related to the undertaking with any person with respect to such matters as the Minister considers necessary,

(vi) that the proponent comply with all or any of the provisions of the environmental assessment as accepted by the Minister that may be incorporated by reference in the approval,

(vii) the period of time during which the undertaking, or any part thereof, shall be commenced or carried out; or

(*c*) refuse to give approval to proceed with the undertaking.

Matters to be considered by the Minister

(2) In determining whether to give approval, give approval subject to terms and conditions or refuse to give approval to proceed with an undertaking in accordance with subsection 1, the Minister shall consider,

(*a*) the purpose of this Act;

(*b*) the environmental assessment of the undertaking as accepted by the Minister;

(*c*) the submissions, if any, made to the Minister with respect to the environmental assessment;

(*d*) where the Minister has required the Board to hold a hearing or hearings in respect of the undertaking, the report or reports of the Board to the Minister.

Notice of approval

(3) The Minister shall give notice, together with written reasons therefor, of his approval, approval subject to terms and conditions or refusal to give approval to proceed with the undertaking to the proponent and to such other persons and in such manner as the Minister may determine.

Proceedings under other Acts

15. An approval by the Minister pursuant to this Act to proceed with an undertaking does not preclude any proceeding in relation to a contravention of any provision of *The Environmental Protection Act, 1971*, *The Ontario Water Resources Act* or the regulations made under either of those Acts.

1971, c. 86
R.S.O. 1970, c. 332

Effect of approval

16.—(1) No person shall proceed with an undertaking contrary to any term or condition imposed by the Minister in giving approval to proceed with the undertaking.

Idem

(2) No person shall give, make, issue, interpret or apply any licence, permit, approval, permission, consent, loan, guarantee of repayment of a loan, grant or subsidy that is required in order to proceed with an undertaking contrary

to any term or condition imposed by the Minister in giving approval to proceed with the undertaking.

Where proponent proposes to change undertaking

17. Where a proponent of an undertaking proposes to make a change in the undertaking,

(*a*) before the Minister has given approval to proceed with the undertaking, that does not conform to the environmental assessment of the undertaking as accepted by the Minister; or

(*b*) after the Minister has given approval to proceed with the undertaking, that does not conform to any term or condition imposed upon the approval to proceed with the undertaking,

this Act applies to the proposal to make the change in the undertaking as though the proposed change were itself an undertaking to which this Act applies.

PART III

ENVIRONMENTAL ASSESSMENT BOARD

Composition of Board

18.—(1) A board to be known as the Environmental Assessment Board is established and shall be composed of not fewer than five persons who shall be appointed by the Lieutenant Governor in Council and shall not be employed in the public service of Ontario in the employ of any ministry.

Chairman and vice-chairman

(2) The Lieutenant Governor in Council shall designate a chairman and one or more vice-chairmen from among the members of the Board.

Acting chairman

(3) In the case of the absence or inability to act of the chairman or of there being a vacancy in the office of the chairman, a vice-chairman shall act as and have all the powers of the chairman and, in the absence of the chairman and vice-chairman or vice-chairmen from any meeting of the Board, the members of the Board present at the meeting shall appoint an acting chairman who shall act as and have all the powers of the chairman during the meeting.

Term of members

(4) The members of the Board, other than the chairman, shall be appointed for a term of one, two or three years so that as nearly as possible one-third of the members, other than the chairman, shall retire each year.

Term of chairman

(5) The chairman of the Board shall be appointed to hold office during pleasure.

Vacancies

(6) Every vacancy on the Board caused by the death, resignation or incapacity of a member may be filled by the appointment by the Lieutenant Governor in Council of a person to hold office for the remainder of the term of such member.

Quorum

(7) Three members of the Board constitute a quorum.

Employees
R.S.O. 1970, c. 386

(8) Such employees as are necessary to carry out the duties of the Board shall be appointed under *The Public Service Act*.

Expert assistance

(9) The Board may appoint from time to time one or more persons having technical or special knowledge of any matter to inquire into and report to the Board and to assist the Board in any capacity in respect of any matter before it.

Remuneration

(10) The members of the Board shall be paid such remuneration and expenses as are determined by the Lieutenant Governor in Council.

Exercise of powers

(11) The powers of the Board shall be exercised by resolution and the Board may pass resolutions governing the calling of and the proceedings at meetings and specifying the powers and duties of employees of the Board and generally dealing with the carrying out of its function.

Practice and procedure

(12) The Board shall determine its own practice and procedure in relation to hearings and may, subject to the approval of the Lieutenant Governor in Council, make rules governing such practice and procedure and the exercise of its powers in relation thereto and prescribe such forms as are considered advisable.

Conduct of hearings by less than quorum

(13) The chairman may, in writing, authorize less than a quorum of the Board to conduct a hearing and the member or members conducting the hearing shall have all the powers of the Board for the purposes of the hearing.

Draft report

(14) The member or members conducting a hearing shall prepare and submit to the Board a draft report of the Board to the Minister and, after notice of the purpose of the meeting has been given to all members of the Board, the Board shall consider the draft report at a meeting of the Board called for the purpose of preparing the report to the Minister and the Board in preparing the report may,

(*a*) adopt the draft report;

(*b*) adopt the draft report with such changes as the Board considers advisable; or

(*c*) reject the draft report and take such other action for the purpose of preparing the report to the Minister, including the holding of additional hearings, as the Board considers advisable.

Report to Minister

(15) A hearing by the Board is for the purpose of making a report for the information and advice of the Minister and the report does not in any way legally bind the Minister in any decision or determination he may make.

Hearings to be public, exceptions

19. A hearing conducted by the Board or a member or members of the Board shall be open to the public except where the Board or the member or members of the Board conducting the hearing is or are of the opinion that,

(*a*) matters involving public security may be disclosed at the hearing; or

(*b*) intimate financial or personal matters or other matters may be disclosed at the hearing that are of such a nature, having regard to the circumstances, that the desirability of avoiding disclosure thereof in the interest of any person affected or in the public interest outweighs the desirability of adhering to the principle that hearings be open to the public,

in which case, the Board or the member or members of the Board conducting the hearing may hold the hearing concerning any such matters *in camera*.

Powers of Board

20. For the purposes of the exercise of any power or authority or the discharge of any duty by the Board or any member or members thereof conducting a hearing, the Board, or such member or members, has or have the powers of a commission under Part II of *The Public Inquiries Act, 1971*, which Part applies to the exercise of such power or authority and the discharge of such duty as if it were an inquiry under that Act.

1971, c. 49

Testimony by member, employee or appointee of Board

21. No member, employee or appointee of the Board shall be required to give testimony in any proceeding with regard to information obtained by him in the discharge of his duties as a member, employee or appointee of the Board.

Hearings under R.S.O. 1970, c. 332

22. Where the Environmental Hearing Board, established under *The Ontario Water Resources Act*, proposed to hold or commenced but did not complete a public hearing or did not report thereon under *The Ontario Water Resources Act* or *The Environmental Protection Act, 1971*, immediately

1971, c. 86

before this section came into force, the hearing shall be held or continued or the report may be made by the Environmental Assessment Board or, where it is necessary or advisable in the opinion of the chairman of the Environmental Assessment Board, the Environmental Assessment Board may hold a fresh hearing and any action or notice taken or given by the Environmental Hearing Board shall be deemed to have been taken or given by the Environmental Assessment Board.

Inspection of premises

23. For purposes relevant to the subject-matter of a hearing, the Board, its employees and appointees may enter and inspect any land or premises other than a dwelling at any reasonable time.

Moneys

24. The moneys required for the purposes of the Board shall, until the 31st day of March, 1975 and subject to the approval of the Lieutenant Governor in Council, be paid out of the Consolidated Revenue Fund and thereafter shall be paid out of the moneys appropriated therefor by the Legislature.

PART IV

PROVINCIAL OFFICERS

Designation of provincial officers

25.—(1) The Minister may designate in writing one or more employees of the Ministry or other persons as provincial officers for the purposes of any section or Part of this Act or any regulation or section of any regulation made under this Act that is referred to in the designation and in a designation may limit the authority of a provincial officer in such manner as the Minister considers necessary or advisable.

Certificate of designation

(2) The Minister shall issue to every provincial officer a certificate of his designation and every provincial officer, in the execution of his duties under this Act and the regulations, shall produce his certificate of designation upon request.

Powers of provincial officer

26.—(1) Where a provincial officer has reasonable grounds for believing that it is necessary, for the purpose of the administration of this Act and the regulations, he may, upon production of his certificate of designation, enter at any reasonable time any building, other than a dwelling, or any structure, machine, vehicle, land, water or air and make or require to be made such surveys, examinations, investigations, tests and inquiries, as he considers necessary, including examinations of books, records and documents

and may make, take and remove or may require to be made, taken or removed samples, copies or extracts.

Order authorizing

(2) Where a provincial judge is satisfied, upon an *ex parte* application by a provincial officer, that there is reasonable ground for believing that it is necessary to enter any building, including a dwelling, structure, machine, vehicle, land, water or air for the administration of this Act or the regulations, the provincial judge may issue an order authorizing a provincial officer to enter therein or thereon and to make or require to be made such surveys, examinations, investigations, tests and inquiries and to take the other actions mentioned in subsection 1 but every such entry, survey, examination, investigation, test, inquiry and other such action shall be made or taken between sunrise and sunset unless the provincial judge authorizes the provincial officer, by the order, to so act at another time.

Obstruction of provincial officer

27. No person shall hinder or obstruct a provincial officer in the lawful performance of his duties or knowingly furnish a provincial officer with false information or refuse to furnish him with information required for the purposes of this Act and the regulations.

Matters confidential

28.—(1) Every provincial officer shall preserve secrecy in respect of all matters that come to his knowledge in the course of any survey, examination, test or inquiry under this Act or the regulations and shall not communicate any such matter to any person except,

(*a*) as may be required in connection with the administration of this Act and the regulations or any proceedings under this Act or the regulations;

(*b*) to his counsel; or

(*c*) with the consent of the person to whom the information relates.

Idem

(2) Except in a proceeding under this Act or the regulations, no provincial officer shall be required to give testimony in any civil suit or proceeding with regard to information obtained by him in the course of any survey, examination, test or inquiry under this Act or the regulations.

PART V

ADMINISTRATION

Application to Divisional Court

29. The Minister, in addition to any other remedy and to any penalty imposed by law, may apply to the Divisional Court for an order,

(*a*) enjoining any act to proceed with an undertaking contrary to this Act; or

(*b*) invalidating any licence, permit, approval, permission or consent issued or granted contrary to subsection 1 of section 6,

and the court may make the order on such terms and conditions as the court considers proper.

Exemption

30. Where the Minister is of the opinion that it is in the public interest, having regard to the purpose of this Act and weighing the same against the injury, damage or interference that might be caused to any person or property by the application of this Act to any undertaking, the Minister, with approval of the Lieutenant Governor in Council or of such other Ministers as the Lieutenant Governor in Council may designate, may by order,

(*a*) exempt the undertaking or the proponent of the undertaking from the application of this Act or the regulations or any matter or matters provided for in this Act or the regulations subject to such terms and conditions as the Minister may impose;

(*b*) suspend or revoke an exemption referred to in clause *a*;

(*c*) alter or revoke any term or condition of an exemption referred to in clause *a*.

Disclosure

31. Notwithstanding any other provision of this Act, where the Minister is of the opinion that compliance with any provision of this Act is causing, will cause or will likely cause the disclosure of,

(*a*) matters involving public security; or

(*b*) intimate financial, personal or other matters that are of such a nature that the desirability of avoiding disclosure thereof in the interest of any person affected or in the public interest outweighs the desirability of disclosing such matters to the public,

the Minister may make such order for the protection of public security, such person or the public interest as he considers necessary or advisable.

Record

32.—(1) The Minister shall cause to be maintained a record of every undertaking in respect of which an environ-

mental assessment has been submitted under this Act that, subject to any order of the Minister pursuant to section 31, shall consist of the environmental assessment, the review of the environmental assessment that the Minister caused to be prepared, any report of the Board in respect of the undertaking and any notice of acceptance, proposal to amend or approval or any order of the Minister pursuant to this Act together with the written reasons, if any, therefor.

Inspection

(2) The Minister shall, upon the request of any person, make available for the inspection of such person any record referred to in subsection 1.

Powers and duties of Minister

33. The Minister, for the purposes of the administration and enforcement of this Act and the regulations may,

(*a*) conduct research with respect to the environment or environmental assessments;

(*b*) conduct studies of the quality of the environment;

(*c*) conduct studies of environmental planning or environmental assessments designed to lead to the wise use of the environment by man;

(*d*) convene conferences and conduct seminars and educational and training programs with respect to the environment or environmental assessments;

(*e*) gather, publish and disseminate information with respect to the environment or environmental assessments;

(*f*) make grants and loans for research or the training of persons with respect to the environment or environmental assessments in such amounts and upon such terms and conditions as the Minister, subject to the approval of the Lieutenant Governor in Council, may determine;

(*g*) appoint committees to perform such advisory functions as the Minister considers advisable;

(*h*) make such investigations, surveys, examinations, tests and other arrangements as he considers necessary; and

(*i*) with the approval of the Lieutenant Governor in Council, enter into an agreement with any government or person with respect to the environment or environmental assessments.

Protection from personal liability

34.—(1) Except in the case of an application for judicial review or an action or proceeding that is specifically provided for with respect to a person referred to in this subsection in any Act or in a regulation under this or any other Act, no action or other proceeding for damages or otherwise lies or shall be instituted against an employee of the Ministry, a member of the Board or a Crown employee within the meaning of *The Public Service Act* who is a provincial officer or is acting under the direction of an employee of the Ministry, or such member or provincial officer, for any act done in good faith in the execution or intended execution of any duty or authority under this Act or for any alleged neglect or default in the execution in good faith of any such duty or authority.

R.S.O. 1970, c. 386

Crown not relieved of liability

R.S.O. 1970, c. 365

(2) Subsection 1 does not, by reason of subsections 2 and 4 of section 5 of *The Proceedings Against the Crown Act*, relieve the Crown of liability in respect of a tort committed by an agent or servant of the Crown to which it would otherwise be subject and the Crown is liable under that Act for any such tort in a like manner as if subsection 1 had not been enacted.

Hearings under other Acts

35. Where a proponent is required under this Act not to proceed with an undertaking until an environmental assessment of the undertaking has been accepted by the Minister and a public hearing is required or permitted under *The Environmental Protection Act, 1971* or *The Ontario Water Resources Act* other than by the Environmental Appeal Board or the Ontario Municipal Board with respect to the undertaking, the Minister shall order,

1971, c. 86

R.S.O. 1970, c. 332

(*a*) that the public hearing under such other Act may be proceeded with and that this Act or the regulations or any matter or matters provided for in this Act or the regulations that is specified in the order does not apply to the undertaking or proponent; or

(*b*) that this Act applies to the undertaking and proponent and the public hearing under such other Act shall be deemed not to be required or permitted.

False information

36. No person shall knowingly give false information in any application, return or statement made to the Minister, the Board, an employee or appointee of the Board, a provincial officer or any employee of the Ministry in respect of any matter under this Act or the regulations.

Certificates, etc., as evidence

37. In any prosecution, proceeding or hearing under this Act or the regulations, the production of,

(*a*) a certificate or report of an analyst in the employ of the Crown in right of Ontario designated by the Minister as to the analysis, ingredients, quality, quantity or temperature of any material, whether solid, liquid or gas or any combination of them; or

(*b*) any document under this Act purporting to be signed by the Minister or by or for the Board, or any certified copy thereof,

is *prima facie* evidence of the facts stated therein and of the authority of the person making the document without any proof of appointment or signature.

Service

38.—(1) Any notice, order, approval or other document under this Act or the regulations is sufficiently given or served if delivered personally or sent by registered mail addressed to the person to whom delivery or service is to be made at the latest address appearing on the records of the Ministry.

Idem

(2) Where notice is given or service is made by registered mail, the giving or service shall be deemed to be made on the seventh day after the day of mailing unless the person to whom notice is given or on whom service is being made establishes that he did not, acting in good faith, through absence, accident, illness or other cause beyond his control receive the notice, order, approval or other document until a later date.

Where notice to be given to Minister

39. Where a proponent of an undertaking in respect of which an environmental assessment has been accepted by the Minister or for which approval to proceed has been given by the Minister receives notice of any fact, situation, event, order, proceeding or application the result of which or compliance with which has affected, affects or may affect the ability of the proponent to proceed with the undertaking in accordance with any term or condition to which the approval of the Minister to proceed with the undertaking is subject, the proponent shall forthwith give notice thereof to the Minister.

Offence

40. Every person, whether as principal or agent, or an employee of either of them, who contravenes any provision of this Act or the regulations or fails to comply with an order or a term or condition of an approval issued or given under this Act is guilty of an offence and on summary conviction is liable on a first conviction to a fine of not more than $5,000 and on a subsequent conviction to a fine

of not more than $10,000 for every day or part thereof upon which the offence occurs or continues.

PART VI

REGULATIONS

Regulations

41. The Lieutenant Governor in Council may make regulations,

(*a*) defining any enterprise or activity as a major commercial or business enterprise or activity;

(*b*) defining enterprises or activities as classes of major commercial or business enterprises or activities;

(*c*) defining any body other than a municipality as a public body;

(*d*) designating any major commercial or business enterprise or activity or class of major commercial or business enterprises or activities as an undertaking or class of undertakings to which this Act applies;

(*e*) designating any enterprise or activity or class of enterprises or activities by or on behalf of Her Majesty in right of Ontario or by a public body or public bodies as an undertaking or class of undertakings to which this Act applies;

(*f*) designating any enterprise or activity or class of enterprises or activities by a municipality or municipalities as an undertaking or class of undertakings to which this Act applies;

(*g*) designating any proposal, plan or program or any class of proposals, plans or programs in respect of,

(i) any enterprise or activity or class of enterprises or activities by or on behalf of Her Majesty in right of Ontario, or by a public body or public bodies,

(ii) any enterprise or activity or class of enterprises or activities by a municipality or municipalities, or

(iii) any major commercial or business enterprise or activity or any class of major commercial

or business enterprises or activities of any person or persons other than a person or persons referred to in subclause i or ii,

as an undertaking or class of undertakings to which this Act applies;

(*h*) exempting any person, class of persons, undertaking or class of undertakings from the provisions of this Act, the regulations or any section or part of a section thereof;

(*i*) prescribing additional information that shall be contained in enviromental assessments submitted to the Minister;

(*j*) prescribing forms for the purposes of this Act and providing for their use.

Class of undertakings

42. A class of undertakings under this Act or the regulations may be defined with respect to any attribute, quality or characteristic or combination thereof and may be defined to include any number of undertakings under one ownership or more than one ownership and whether or not of the same type or with the same attributes, qualities or characteristics.

Scope of regulations

43. Any regulation may be general or particular in its application and may be limited as to time or place or both.

Adoption of codes in regulations

44. Any regulation may adopt by reference, in whole or in part, with such changes as the Lieutenant Governor in Council considers necessary, any code, formula, standard or procedure, and may require compliance with any code, standard or procedure so adopted.

Application of regulations

45.—(1) A regulation is not effective with respect to an enterprise or activity that is commenced before the regulation comes into force.

Idem

(2) Notwithstanding subsection 1, a regulation is effective with respect to,

(*a*) an enterprise or activity that is commenced after the coming into force of this Act and that is being carried on or is not completed when the regulation comes into force;

(*b*) a significant change made in an enterprise or activity after the coming into force of this Act and that is being carried on or is not completed before the regulation comes into force; or

(*c*) a proposal, plan or program proposed or made before the coming into force of the regulation whether the proposal, plan or program is proposed or made before or after the coming into force of this Act.

PART VII

MISCELLANEOUS

Commencement

46. This Act comes into force on the day it receives Royal Assent.

Short title

47. This Act may be cited as *The Environmental Assessment Act, 1975*.

The Environmental Assessment Act, 1975

1st Reading

March 24th, 1975

2nd Reading

3rd Reading

THE HON. W. NEWMAN
Minister of the Environment

(*Government Bill*)

1975

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Government
Publications

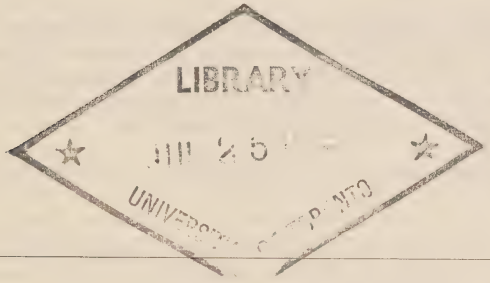
BILL 14

Government Bill

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

The Environmental Assessment Act, 1975



THE HON. W. NEWMAN
Minister of the Environment

(Reprinted as amended by the Resources Development Committee)

TORONTO
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Explanatory Note

The Bill provides for assessment of the effects on the environment of undertakings that consist of enterprises or activities or proposals, plans or programs in respect thereof by or on behalf of Her Majesty in right of Ontario, by a public body or public bodies or by a municipality or municipalities and of undertakings that consist of major commercial or business enterprises or activities or proposals, plans or programs in respect thereof after firstly, the Act has been proclaimed applicable to such undertakings that consist of major commercial or business enterprises or activities or proposals, plans or programs in respect thereof and secondly, such major commercial or business enterprises or activities or proposals, plans or programs are designated by the regulations as undertakings to which the Bill applies.

Environment is defined to mean the human as well as the natural environment of Ontario.

The proponent of an undertaking to which the Bill applies is required to submit to the Minister an environmental assessment of the undertaking and is prohibited from proceeding with the undertaking until the environmental assessment has been accepted by the Minister and the Minister has given approval to proceed with the undertaking.

Where the Minister is of the opinion that an environmental assessment is unsatisfactory to enable a decision to be made as to whether to give approval to proceed with the undertaking, the Minister is required to give notice to the proponent and those persons who made written submissions in respect of the undertaking, the environmental assessment or review thereof that the Minister proposes to amend the assessment.

A proponent of an undertaking who receives notice that the Minister proposes to amend his environmental assessment of the undertaking and any person who has made a written submission to the Minister may require the Minister to remit the matter to the Environmental Assessment Board established under the Bill for a hearing unless the Minister considers the requirement of a hearing frivolous or vexatious or that a hearing is unnecessary or may cause undue delay. Where no other hearing has been held under the provisions of the Bill, a proponent and any person who has made a written submission may require the Minister to remit the matter to the Board for a hearing with respect to approval unless the Minister considers the requirement of a hearing frivolous or vexatious or that a hearing is unnecessary or may cause undue delay to proceed with the undertaking and the terms and conditions of such an approval.

Where the Minister proposes to amend an environmental assessment and a hearing is not required, the Minister is required to accept or to amend and accept the environmental assessment. The matters to be considered by the Minister in so doing are set out in the Bill.

Hearings by the Board are open to the public except where the Board is of the opinion that, because intimate financial or personal or other matters may be disclosed, it is more desirable to hold a hearing *in camera*.

After holding a hearing, the Board is required to make a decision as to the acceptance or amendment and acceptance of an environmental assessment and the approval, refusal to give approval or approval subject to terms and conditions of the undertaking. The decision is deemed to be

the decision of the Minister and is final unless within the specified period of time, the Minister with the approval of the Lieutenant Governor in Council or of such Ministers of the Crown as the Lieutenant Governor in Council designates, varies or rescinds the decision or requires the Board to reconsider its decision.

After the Minister has accepted an environmental assessment of an undertaking, the Minister may, with the approval of the Lieutenant Governor in Council or of such Ministers of the Crown as the Lieutenant Governor in Council designates, give approval to proceed with the undertaking, with or without imposing terms and conditions, or refuse to give approval to proceed.

An undertaking to which the Bill applies may not be proceeded with contrary to any terms or conditions imposed.

The Bill also prohibits the issuing or granting of a licence, permit, approval, permission or consent that is required in order to proceed with an undertaking to which the Bill applies and prohibits the approving, making or giving of a loan, guarantee, grant or subsidy by Ontario or any agency thereof, with respect to an undertaking to which the Bill applies unless an environmental assessment of the undertaking has been submitted to and accepted by the Minister and the Minister has given approval to proceed with the undertaking. The Bill further provides that no person shall give, make, issue, interpret or apply any licence, permit, approval, permission, consent, loan, guarantee, grant or subsidy that is required in order to proceed with an undertaking contrary to any term or condition imposed by the Minister in giving approval to proceed with the undertaking.

BILL 14 **1975**

The Environmental Assessment Act, 1975

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

PART I

INTERPRETATION AND APPLICATION

1. In this Act, Interpretation

(*a*) "air" includes enclosed air;

(*b*) "Board" means the Environmental Assessment Board established under Part III;

(*c*) "environment" means,

(i) air, land or water,

(ii) plant and animal life, including man,

(iii) the social, economic and cultural conditions that influence the life of man or a community,

(iv) any building, structure, machine or other device or thing made by man,

(v) any solid, liquid, gas, odour, heat, sound, vibration or radiation resulting directly or indirectly from the activities of man, or

(vi) any part or combination of the foregoing and the interrelationships between any two or more of them,

in or of Ontario;

(*d*) "environmental assessment", when used in relation to an undertaking, means an environmental assessment submitted pursuant to subsection 1 of section 5;

(*e*) "land" includes enclosed land, land covered by water and subsoil;

(*f*) "Minister" means the Minister of the Environment;

(*g*) "Ministry" means the Ministry of the Environment;

(*h*) "municipality" means the corporation of a county, metropolitan area, regional area, district area, city, town, village, township or improvement district and includes a local board as defined in *The Municipal Affairs Act* and a board, commission or other local authority exercising any power with respect to municipal affairs or purposes, including school purposes, in an unorganized township or unsurveyed territory;

R.S.O. 1970, c. 118

(*i*) "person" includes a municipality, Her Majesty in right of Ontario, a Crown agency within the meaning of *The Crown Agency Act*, a public body, a partnership, an unincorporated joint venture and an unincorporated association;

R.S.O. 1970, c. 100

(*j*) "proceed" includes "carry on";

(*k*) "proponent" means a person who,

(i) carries out or proposes to carry out an undertaking, or

(ii) is the owner or person having charge, management or control of an undertaking;

(*l*) "provincial officer" means a person designated by the Minister as a provincial officer under Part IV;

(*m*) "public body" means a body other than a municipality that is defined as a public body by the regulations;

(*n*) "regulations" means the regulations made under this Act;

(*o*) "undertaking" means,

(i) an enterprise or activity or a proposal, plan or program in respect of an enterprise or activity by or on behalf of Her Majesty in right of Ontario, by a public body or public bodies or by a municipality or municipalities, or

(ii) a major commercial or business enterprise or activity or a proposal, plan or program in respect of a major commercial or business enterprise or activity of a person or persons other than a person or persons referred to in subclause i that is designated by the regulations;

(*b*) "water" means surface water and ground water, or either of them.

Purpose of Act

2. The purpose of this Act is the betterment of the people of the whole or any part of Ontario by providing for the protection, conservation and wise management in Ontario of the environment.

Application of Act

3. This Act applies to,

(*a*) enterprises or activities or proposals, plans or programs in respect of enterprises or activities by or on behalf of Her Majesty in right of Ontario or by a public body or public bodies or by a municipality or municipalities on and after the day this Act comes into force;

(*b*) only on and after a day to be named in a proclamation of the Lieutenant Governor, major commercial or business enterprises or activities or proposals, plans or programs in respect of major commercial or business enterprises or activities of a person or persons other than a person referred to in clause *a*, designated by the regulations.

The Crown

4. This Act binds the Crown.

PART II

ACCEPTANCE, AMENDMENT, APPROVAL

Submission of environmental assessment

5.—(1) The proponent of an undertaking to which this Act applies shall submit to the Minister an environmental assessment of the undertaking and shall not proceed with the undertaking until,

(*a*) the environmental assessment has been accepted by the Minister; and

(*b*) the Minister has given his approval to proceed with the undertaking.

Exception

(2) Subsection 1 does not prohibit a feasibility study, including research, or any action necessary to comply with this Act before the approval of the Minister is given to proceed with an undertaking.

Content of environmental assessment

(3) An environmental assessment submitted to the Minister pursuant to subsection 1 shall consist of,

(*a*) a description of the purpose of the undertaking;

(*b*) a description of and a statement of the rationale for,

(i) the undertaking,

(ii) the alternative methods of carrying out the undertaking, and

(iii) the alternatives to the undertaking;

(*c*) a description of,

(i) the environment that will be affected or that might reasonably be expected to be affected, directly or indirectly,

(ii) the effects that will be caused or that might reasonably be expected to be caused to the environment, and

(iii) the actions necessary or that may reasonably be expected to be necessary to prevent, change, mitigate or remedy the effects upon or the effects that might reasonably be expected upon the environment,

by the undertaking, the alternative methods of carrying out the undertaking and the alternatives to the undertaking; and

(*d*) an evaluation of the advantages and disadvantages to the environment of the undertaking, the alternative methods of carrying out the undertaking and the alternatives to the undertaking.

Where licences, etc., not to be issued

6.—(1) Where a proponent is required under this Act to submit to the Minister an environmental assessment of an undertaking,

(*a*) a licence, permit, approval, permission or consent that is required under any statute, regulation, by-law or other requirement of the Province of Ontario, an agency thereof, a municipality or a regulatory authority, in order to proceed with the undertaking shall not be issued or granted; and

(*b*) if it is intended that the Province of Ontario or any agency thereof will provide a loan, a guarantee of repayment of a loan, a grant or a subsidy with respect to the undertaking, the loan, guarantee, grant or subsidy shall not be approved, made or given,

unless,

(*c*) the environmental assessment has been submitted to and accepted by the Minister; and

(*d*) the Minister has given approval to proceed with the undertaking.

Exception

(2) Subsection 1 does not apply to,

(*a*) a licence, permit, approval, permission or consent;

(*b*) a loan, guarantee, grant or subsidy,

in relation to a feasibility study, including research, or for any action necessary to comply with this Act before the approval of the Minister is given to proceed with the undertaking.

Preparation of review and notice

7.—(1) Where an environmental assessment of an undertaking is submitted by a proponent to the Minister, the Minister,

(*a*) shall cause a review of the assessment to be prepared; and

(*b*) shall give notice of,

(i) the receipt of the assessment,

(ii) the completion of the preparation of the review,

(iii) the place or places where the assessment and review may be inspected, and

(iv) such other matters as the Minister considers necessary or advisable,

to the proponent, the clerk of each municipality in which the undertaking is being or will be carried out and, in such manner as the Minister considers suitable, to the public and to such other persons as the Minister considers necessary or advisable.

Inspection of environmental assessment

(2) Any person may inspect an environmental assessment of an undertaking and the review thereof in accordance with the terms of the notice referred to in subsection 1 and may, within thirty days of the giving of the notice or within such longer period as may be stated in the notice,

(*a*) make written submissions to the Minister with respect to the undertaking, the environmental assessment and the review thereof; and

(*b*) by written notice to the Minister, require a hearing by the Board with respect to the undertaking, the environmental assessment and the review thereof.

Withdrawal of environmental assessment

(3) A proponent may withdraw or amend an environmental assessment at any time prior to the day on which notice is given under subsection 1 and thereafter may withdraw or amend an environmental assessment subject to such terms and conditions as the Minister may by order impose.

Matters to be considered by the Minister

8. The Minister, in determining whether to accept or to amend and accept an environmental assessment shall consider the purpose of this Act, the environmental assessment submitted to him, the review thereof, the written submissions, if any, made with respect thereto, any reports required by and submitted to him, and any further review that the Minister has caused to be prepared.

Notice of acceptance of environmental assessment

9. Where a hearing is not required,

(*a*) pursuant to clause *a* of subsection 2 of section 12; or

(*b*) pursuant to clause *b* of subsection 2 of section 12 after receipt of a notice pursuant to clause *b* of subsection 2 of section 7,

and the Minister, after considering the matters set out in section 8, is of the opinion that the environmental assessment is satisfactory to enable a decision to be made as to whether approval to proceed with the undertaking with respect to which the environmental assessment is submitted should or should not be given or should be given subject to terms and conditions, the Minister shall accept the assessment and give notice thereof to the proponent and in such manner as the Minister considers suitable, to any person who has made a written submission to the Minister pursuant to subsection 2 of section 7.

Notice of proposal to amend environmental assessment

10.—(1) Where a hearing is not required,

(*a*) pursuant to clause *a* of subsection 2 of section 12; or

(*b*) pursuant to clause *b* of subsection 2 of section 12 after receipt of a notice pursuant to clause *b* of subsection 2 of section 7,

and the Minister, after considering the matters set out in section 8, is of the opinion that the environmental assessment does not comply with this Act or the regulations, is inconclusive or is otherwise unsatisfactory to enable a decision to be made as to whether approval to proceed with the undertaking with respect to which the environmental assessment is submitted should or should not be given or should be given subject to terms and conditions, the Minister shall give notice to the proponent and in such manner as the Minister considers suitable, to any person who has made a written submission to the Minister pursuant to subsection 2 of section 7 that the Minister proposes to amend the environmental assessment, together with written reasons therefor including particulars of the amendments that the Minister proposes to make to the environmental assessment and, after considering any further written submissions of the proponent and of any such person, the Minister, where a hearing is not required pursuant to clause *a* of subsection 2 of section 12 or to clause *b* of subsection 2 of section 12 after receipt of a notice pursuant to subsection 1 of section 12, shall accept or amend and accept the environmental assessment.

Notice of amendment and acceptance of environmental assessment

(2) The Minister shall give notice of the acceptance or the amendment and acceptance of the environmental assessment pursuant to subsection 1 to the proponent, and in such

manner as the Minister considers suitable, to any person who has made a written submission to the Minister pursuant to subsection 2 of section 7, and where the assessment is amended a copy of the assessment as amended and accepted together with written reasons therefor, to the proponent.

Minister may order research, etc., and reports

11.—(1) Where, before accepting an environmental assessment, the Minister is of the opinion that the environmental assessment as submitted does not comply with this Act or the regulations, is inconclusive or is otherwise unsatisfactory to enable a decision to be made as to whether approval to proceed with the undertaking with respect to which the environmental assessment is submitted should or should not be given or should be given subject to terms and conditions, the Minister shall give notice to the proponent that he proposes, by order, to require the proponent to carry out such research, investigations, studies and monitoring programs related to the undertaking in respect of which the environmental assessment is submitted as are mentioned in the notice, together with written reasons therefor.

(2) The Minister, after considering any written submissions of the proponent made within fifteen days of the giving of the notice or within such longer period as may be stated in the notice, may by order require the proponent to carry out such research, investigations, studies and monitoring programs related to the undertaking in respect of which the environmental assessment is submitted and to submit such reports thereon as the Minister considers necessary.

(3) The Minister shall, in such manner as the Minister considers suitable, give notice of the order to any person who has made a written submission to the Minister pursuant to subsection 2 of section 7.

(4) Upon submission of the reports to the Minister they shall be incorporated as part of the environmental assessment and the review thereof that the Minister caused to be prepared may be revised accordingly.

Notice

12.—(1) A notice that the Minister proposes to amend an environmental assessment shall state that the proponent or any person who has made a written submission to the Minister pursuant to subsection 2 of section 7 may, by written notice delivered to the Minister within fifteen days after the giving of the notice of proposal to amend, require a hearing by the Board and the proponent or the person may so require such a hearing.

Hearing

(2) The Minister, by notice in writing,

(*a*) may, where he considers it advisable; or

(*b*) shall, upon receipt of a notice requiring a hearing pursuant to subsection 1 or pursuant to subsection 2 of section 7, unless in his absolute discretion he considers that the requirement is frivolous or vexations or that a hearing is unnecessary or may cause undue delay,

require the Board to hold a hearing with respect to,

(*c*) the acceptance or amendment and acceptance of the environmental assessment;

(*d*) whether approval to proceed with the undertaking in respect of which the environmental assessment was submitted should or should not be given; and

(*e*) whether the approval mentioned in clause *d* should be given subject to terms and conditions and, if so, the provisions of such terms and conditions.

Idem

(3) Upon receipt from the Minister of a notice pursuant to subsection 2, section 13 or clause *c* of subsection 1 of section 24, the Board shall appoint a time for the hearing, shall give reasonable notice thereof to the proponent and to the Minister and in such manner as the Minister may direct, notice to the public, to any person who has made a written submission to the Minister pursuant to subsection 2 of section 7 and to such other persons as the Minister considers necessary or advisable, and such other notice as the Board considers proper, and shall hold the hearing and decide the matters referred to it in the notice of the Minister.

Parties

(4) The parties to any proceedings before the Board in respect of the undertaking are,

(*a*) the proponent;

(*b*) any person, other than the Minister, who has required the hearing; and

(*c*) such other persons as,

(i) the Board, in its opinion, specifies have an interest in the proceedings, and

(ii) the Board, having regard to the purpose of this Act, may specify.

Other hearings

13. Where an environmental assessment has been accepted or amended and accepted, and no hearing has been held pursuant to section 12, the proponent or a person who has made a written submission pursuant to subsection 2 of section 7 may, by written notice delivered to the Minister within fifteen days after the giving of the notice mentioned in section 9 or the notice mentioned in subsection 2 of section 10, require a hearing by the Board with respect to,

(*a*) whether approval to proceed with the undertaking in respect of which the environmental assessment was submitted should or should not be given; and

(*b*) whether the approval mentioned in clause *a* should be given subject to terms and conditions and, if so, the provisions of such terms and conditions, and

the Minister, by notice in writing,

(*c*) may, where he considers it advisable; or

(*d*) shall, upon receipt of any such notice requiring a hearing, unless in his absolute discretion he considers that the requirement is frivolous or vexatious or that a hearing is unnecessary or may cause undue delay,

require the Board to hold a hearing.

Approval to proceed

14.—(1) Where the Minister has accepted an environmental assessment of an undertaking, the Minister may, with the approval of the Lieutenant Governor in Council or of such Ministers of the Crown as the Lieutenant Governor in Council may designate,

(*a*) give approval to proceed with the undertaking;

(*b*) give approval to proceed with the undertaking subject to such terms and conditions as the Minister considers necessary to carry out the purpose of this Act and in particular requiring or specifying,

(i) the methods and phasing of the carrying out of the undertaking,

(ii) the works or actions to prevent, mitigate or remedy effects of the undertaking on the environment,

(iii) such research, investigations, studies and monitoring programs related to the undertaking, and reports thereof, as he considers necessary,

(iv) such changes in the undertaking as he considers necessary,

(v) that the proponent enter into one or more agreements related to the undertaking with any person with respect to such matters as the Minister considers necessary,

(vi) that the proponent comply with all or any of the provisions of the environmental assessment as accepted by the Minister that may be incorporated by reference in the approval,

(vii) the period of time during which the undertaking, or any part thereof, shall be commenced or carried out; or

(*c*) refuse to give approval to proceed with the undertaking.

Matters to be considered by the Minister

(2) In determining whether to give approval, give approval subject to terms and conditions or refuse to give approval to proceed with an undertaking in accordance with subsection 1, the Minister shall consider,

(*a*) the purpose of this Act;

(*b*) the environmental assessment of the undertaking as accepted by the Minister;

(*c*) the submissions, if any, made to the Minister with respect to the environmental assessment.

Notice of approval

(3) The Minister shall give notice, together with written reasons therefor, of his approval, approval subject to terms and conditions or refusal to give approval to proceed with the undertaking to the proponent, and in such manner as

the Minister considers suitable, to any person who has made a written submission to the Minister pursuant to subsection 2 of section 7 and to such other persons as the Minister considers necessary or advisable.

Proceedings under other Acts

15. An approval by the Minister pursuant to this Act to proceed with an undertaking does not preclude any proceeding in relation to a contravention of any provision of *The Environmental Protection Act, 1971*, *The Ontario Water Resources Act* or the regulations made under either of those Acts.

1971, c. 86
R.S.O. 1970, c. 332

Effect of approval

16.—(1) No person shall proceed with an undertaking contrary to any term or condition imposed by the Minister in giving approval to proceed with the undertaking.

Idem

(2) No person shall give, make, issue, interpret or apply any licence, permit, approval, permission, consent, loan, guarantee of repayment of a loan, grant or subsidy that is required in order to proceed with an undertaking contrary to any term or condition imposed by the Minister in giving approval to proceed with the undertaking.

Where proponent proposes to change undertaking

17. Where a proponent of an undertaking proposes to make a change in the undertaking,

(*a*) before the Minister has given approval to proceed with the undertaking, that does not conform to the environmental assessment of the undertaking as accepted by the Minister; or

(*b*) after the Minister has given approval to proceed with the undertaking, that does not conform to any term or condition imposed upon the approval to proceed with the undertaking,

this Act applies to the proposal to make the change in the undertaking as though the proposed change were itself an undertaking to which this Act applies.

PART III

ENVIRONMENTAL ASSESSMENT BOARD

Composition of Board

18.—(1) A board to be known as the Environmental Assessment Board is established and shall be composed of not fewer than five persons who shall be appointed by the Lieutenant Governor in Council and shall not be employed in the public service of Ontario in the employ of any ministry.

Chairman and vice-chairman

(2) The Lieutenant Governor in Council shall designate a chairman and one or more vice-chairmen from among the members of the Board.

Acting chairman

(3) In the case of the absence or inability to act of the chairman or of there being a vacancy in the office of the chairman, a vice-chairman shall act as and have all the powers of the chairman and, in the absence of the chairman and vice-chairman or vice-chairmen from any meeting of the Board, the members of the Board present at the meeting shall appoint an acting chairman who shall act as and have all the powers of the chairman during the meeting.

Term of members

(4) The members of the Board, other than the chairman, shall be appointed for a term of one, two or three years so that as nearly as possible one-third of the members, other than the chairman, shall retire each year.

Term of chairman

(5) The chairman of the Board shall be appointed to hold office during pleasure.

Vacancies

(6) Every vacancy on the Board caused by the death, resignation or incapacity of a member may be filled by the appointment by the Lieutenant Governor in Council of a person to hold office for the remainder of the term of such member.

Quorum

(7) Three members of the Board constitute a quorum.

Employees

R.S.O. 1970, c. 386

(8) Such employees as are necessary to carry out the duties of the Board shall be appointed under *The Public Service Act*.

Expert assistance

(9) The Board may appoint from time to time one or more persons having technical or special knowledge of any matter to inquire into and report to the Board and to assist the Board in any capacity in respect of any matter before it.

Remuneration

(10) The members of the Board shall be paid such remuneration and expenses as are determined by the Lieutenant Governor in Council.

Exercise of powers

(11) The powers of the Board shall be exercised by resolution and the Board may pass resolutions governing the calling of and the proceedings at meetings and specifying the powers and duties of employees of the Board and generally dealing with the carrying out of its function.



Practice and procedure

1971, c. 47

(12) The Board may determine its own practice and procedure in relation to hearings and may, subject to section 28 of *The Statutory Powers Procedure Act, 1971* and

the approval of the Lieutenant Governor in Council, make rules governing such practice and procedure and the exercise of its powers in relation thereto and prescribe such forms as are considered advisable.

Conduct of hearings by less than quorum

(13) The chairman may, in writing, authorize less than a quorum of the Board to conduct a hearing and the member or members conducting the hearing shall have all the powers of the Board for the purposes of the hearing.

Only members at hearing to participate in decision

(14) No member of the Board shall participate in a decision of the Board pursuant to a hearing unless he was present throughout the hearing and heard the evidence and argument of the parties and, except with the consent of the parties, no decision of the Board shall be given unless all members so present participate in the decision.

Board may appoint class representative

(15) For the purpose of proceedings before the Board, the Board may appoint from among a class of parties to the proceedings having, in the opinion of the Board, a common interest, a person to represent that class in the proceedings, but any other member of the class for which such appointment was made may, with the consent of the Board, take part in the proceedings notwithstanding the appointment.

Minister entitled to take part in proceedings

(16) The Minister is entitled, by counsel or otherwise, to take part in proceedings before the Board.

Giving of decision

(17) The Board shall give a copy of its decision together with written reasons therefor to the Minister, to the parties, or where an appointment has been made pursuant to subsection 15, to the appointee on behalf of the class, and to such other persons as have made written submissions pursuant to subsection 2 of section 7 and to the clerk of each municipality in which the undertaking is being or will be carried out.

Decisions, etc., of Board not subject to review

When decision is effective

(18) No decision of the Board is effective until it becomes final pursuant to section 24.

(19) No decision, order, direction, resolution or ruling of the Board shall be questioned or reviewed in any court and no proceeding shall be taken in any court by way of injunction, declaratory judgment, *certiorari*, *mandamus*, prohibition, application for judicial review, *quo warranto*, or otherwise to question, review, prohibit or restrain the Board or any of its decisions, orders, directions, resolutions or rulings.

Application of 1971, c. 47

(20) Except as otherwise provided in this Act, *The Statutory Powers Procedure Act, 1971* applies to the proceedings of the Board.

19. A hearing conducted by the Board or a member or members of the Board shall be open to the public except where the Board or the member or members of the Board conducting the hearing is or are of the opinion that matters may be disclosed at the hearing that are of such a nature, having regard to the circumstances, that the desirability of avoiding disclosure thereof in the interest of any person affected or in the public interest outweighs the desirability of adhering to the principle that hearings be open to the public, in which case, the Board or the member or members of the Board conducting the hearing may hold the hearing concerning any such matters *in camera*. Hearings to be public, exceptions

20. Any decision of the Board that becomes final pursuant to section 24 shall be deemed to be the decision of the Minister or of the Minister with the approval required by section 14. Effect of decision of Board

21. No member, employee or appointee of the Board shall be required to give testimony in any proceeding with regard to information obtained by him in the discharge of his duties as a member, employee or appointee of the Board. Testimony by member, employee or appointee of Board

22. Where the Environmental Hearing Board, established under *The Ontario Water Resources Act*, proposed to hold or commenced but did not complete a public hearing or did not report thereon under *The Ontario Water Resources Act* or *The Environmental Protection Act, 1971*, immediately before this section came into force, the hearing shall be held or continued or the report may be made by the Environmental Assessment Board or, where it is necessary or advisable in the opinion of the chairman of the Environmental Assessment Board, the Environmental Assessment Board may hold a fresh hearing and any action or notice taken or given by the Environmental Hearing Board shall be deemed to have been taken or given by the Environmental Assessment Board. Hearings under R.S.O. 1970, c. 332 1971, c. 86

23. For purposes relevant to the subject-matter of a hearing, the Board, its employees and appointees may enter and inspect any land or premises other than a dwelling at any reasonable time. Inspection of premises

24.—(1) Within twenty-eight days after receipt by the Minister of a decision of the Board on any matter referred to it by notice of the Minister pursuant to subsection 2 of section 12 or section 13 or made pursuant to clause *c*, or within such longer period as may be determined by the Variation or rescission of decisions

Minister within such twenty-eight day period, the Minister, with the approval of the Lieutenant Governor in Council or such Ministers of the Crown as the Lieutenant Governor in Council may designate, may,

(*a*) vary the whole or any part of the decision;

(*b*) substitute for the decision of the Board, such decision as he considers appropriate; or

(*c*) by notice to the Board require the Board to hold a new hearing of the whole or any part of the matter referred to the Board by the notice of the Minister and reconsider its decision.

Idem

(2) Subject to subsection 3, a decision of the Board is final after the expiration of the period or periods mentioned in subsection 1 unless, pursuant to subsection 1, the decision is varied or a decision is substituted for the decision of the Board or a new hearing is required.

Idem

(3) A decision of the Board that has been varied pursuant to clause *a* or a decision that has been substituted for the decision of the Board pursuant to clause *b* of subsection 1, is final.

Idem

(4) The Minister shall give notice, together with written reasons therefor, of any variation, substitution or requirement of a new hearing pursuant to subsection 1, to every person entitled to receive a copy of the decision of the Board pursuant to subsection 17 of section 18.

PART IV

PROVINCIAL OFFICERS

Designation of provincial officers

25.—(1) The Minister may designate in writing one or more employees of the Ministry or other persons as provincial officers for the purposes of any section or Part of this Act or any regulation or section of any regulation made under this Act that is referred to in the designation and in a designation may limit the authority of a provincial officer in such manner as the Minister considers necessary or advisable.

Certificate of designation

(2) The Minister shall issue to every provincial officer a certificate of his designation and every provincial officer, in the execution of his duties under this Act and the regulations, shall produce his certificate of designation upon request.

26.—(1) Where a provincial officer has reasonable grounds for believing that it is necessary, for the purpose of the administration of this Act and the regulations, he may, upon production of his certificate of designation, enter at any reasonable time any building, other than a dwelling, or any structure, machine, vehicle, land, water or air and make or require to be made such surveys, examinations, investigations, tests and inquiries, as he considers necessary for such purpose, including examinations of books, records and documents and may make, take and remove or may require to be made, taken or removed samples, copies or extracts. Powers of provincial officer

(2) Where a provincial judge is satisfied, upon an *ex parte* application by a provincial officer, that there is reasonable ground for believing that it is necessary to enter any building, including a dwelling, structure, machine, vehicle, land, water or air for the administration of this Act or the regulations, the provincial judge may issue an order authorizing a provincial officer to enter therein or thereon and to make or require to be made such surveys, examinations, investigations, tests and inquiries and to take the other actions mentioned in subsection 1 but every such entry, survey, examination, investigation, test, inquiry and other such action shall be made or taken between sunrise and sunset unless the provincial judge authorizes the provincial officer, by the order, to so act at another time. Order authorizing

27. No person shall hinder or obstruct a provincial officer in the lawful performance of his duties or knowingly furnish a provincial officer with false information or refuse to furnish him with information required for the purposes of this Act and the regulations. Obstruction of provincial officer

28.—(1) Every provincial officer shall preserve secrecy in respect of all matters that come to his knowledge in the course of any survey, examination, test or inquiry under this Act or the regulations and shall not communicate any such matter to any person except, Matters confidential

(*a*) as may be required in connection with the administration of this Act and the regulations or any proceedings under this Act or the regulations;

(*b*) to his counsel; or

(*c*) with the consent of the person to whom the information relates.

(2) Except in a proceeding under this Act or the regulations, no provincial officer shall be required to give testimony in any civil suit or proceeding with regard to Idem

information obtained by him in the course of any survey, examination, test or inquiry under this Act or the regulations.

PART V

ADMINISTRATION

Application to Divisional Court

29. The Minister, in addition to any other remedy and to any penalty imposed by law, may apply to the Divisional Court for an order,

(*a*) enjoining any act to proceed with an undertaking contrary to this Act; or

(*b*) invalidating any licence, permit, approval, permission or consent issued or granted contrary to subsection 1 of section 6,

and the court may make the order on such terms and conditions as the court considers proper.

Exemption

30. Where the Minister is of the opinion that it is in the public interest, having regard to the purpose of this Act and weighing the same against the injury, damage or interference that might be caused to any person or property by the application of this Act to any undertaking, the Minister, with approval of the Lieutenant Governor in Council or of such Ministers of the Crown as the Lieutenant Governor in Council may designate, may by order,

(*a*) exempt the undertaking or the proponent of the undertaking from the application of this Act or the regulations or any matter or matters provided for in this Act or the regulations subject to such terms and conditions as the Minister may impose;

(*b*) suspend or revoke an exemption referred to in clause *a*;

(*c*) alter or revoke any term or condition of an exemption referred to in clause *a*.

Disclosure

31. Notwithstanding any other provision of this Act, where the Minister is of the opinion that compliance with any provision of this Act is causing, will cause or will likely cause the disclosure of matters that are of such a nature that the desirability of avoiding disclosure thereof in the interest of any person affected or in the public interest outweighs the desirability of disclosing such matters to the public, the Minister may make such order for the protection of such person or the public interest as he considers necessary or advisable.

32.—(1) The Minister shall cause to be maintained a record of every undertaking in respect of which an environmental assessment has been submitted under this Act that, subject to any order of the Minister pursuant to section 31, shall consist of the environmental assessment, the review of the environmental assessment that the Minister caused to be prepared, any written submissions, any decision of the Board or the Minister together with written reasons therefor, if any, made under this Act, any notice under section 9, subsection 2 of section 10, subsection 3 of section 14, subsection 4 of section 24 and section 39 and any order of the Minister pursuant to this Act together with the written reasons, if any, therefor. Record

(2) The Minister shall, upon the request of any person, make available for the inspection of such person any record referred to in subsection 1 including any document forming part of the record as soon as practicable after issuance or receipt of the document. Inspection

33. The Minister, for the purposes of the administration and enforcement of this Act and the regulations may, Powers and duties of Minister

(*a*) conduct research with respect to the environment or environmental assessments;

(*b*) conduct studies of the quality of the environment;

(*c*) conduct studies of environmental planning or environmental assessments designed to lead to the wise use of the environment by man;

(*d*) convene conferences and conduct seminars and educational and training programs with respect to the environment or environmental assessments;

(*e*) gather, publish and disseminate information with respect to the environment or environmental assessments;

(*f*) make grants and loans for research or the training of persons with respect to the environment or environmental assessments in such amounts and upon such terms and conditions as the Minister, subject to the approval of the Lieutenant Governor in Council, may determine;

(*g*) appoint committees to perform such advisory functions as the Minister considers advisable;

(*h*) make such investigations, surveys, examinations, tests and other arrangements as he considers necessary; and

(*i*) with the approval of the Lieutenant Governor in Council, enter into an agreement with any government or person with respect to the environment or environmental assessments.

Protection from personal liability

34.—(1) Except in the case of an application for judicial review or an action or proceeding that is specifically provided for with respect to a person referred to in this subsection in any Act or in a regulation under this or any other Act, no action or other proceeding for damages or otherwise lies or shall be instituted against an employee of the Ministry, a member of the Board or a Crown employee within the meaning of *The Public Service Act* who is a provincial officer or is acting under the direction of an employee of the Ministry, or such member or provincial officer, for any act done in good faith in the execution or intended execution of any duty or authority under this Act or for any alleged neglect or default in the execution in good faith of any such duty or authority.

R.S.O. 1970, c. 386

Crown not relieved of liability

R.S.O. 1970, c. 365

(2) Subsection 1 does not, by reason of subsections 2 and 4 of section 5 of *The Proceedings Against the Crown Act*, relieve the Crown of liability in respect of a tort committed by an agent or servant of the Crown to which it would otherwise be subject and the Crown is liable under that Act for any such tort in a like manner as if subsection 1 had not been enacted.

Hearings under other Acts

35. Where a proponent is required under this Act not to proceed with an undertaking until an environmental assessment of the undertaking has been accepted by the Minister and a public hearing is required or permitted under *The Environmental Protection Act, 1971* or *The Ontario Water Resources Act* other than by the Environmental Appeal Board or the Ontario Municipal Board with respect to the undertaking, the Minister shall order,

1971, c. 86

R.S.O. 1970, c. 332

(*a*) that the public hearing under such other Act may be proceeded with and that this Act or the regulations or any matter or matters provided for in this Act or the regulations that is specified in the order does not apply to the undertaking or proponent; or

(*b*) that this Act applies to the undertaking and proponent and the public hearing under such other Act shall be deemed not to be required or permitted.

False information

36. No person shall knowingly give false information in any application, return or statement made to the Minister, the Board, an employee or appointee of the

Board, a provincial officer or any employee of the Ministry in respect of any matter under this Act or the regulations.

Certificates, etc., as evidence

37. In any prosecution, proceeding or hearing under this Act or the regulations, the production of,

(*a*) a certificate or report of an analyst in the employ of the Crown in right of Ontario designated by the Minister as to the analysis, ingredients, quality, quantity or temperature of any material, whether solid, liquid or gas or any combination of them; or

(*b*) any document under this Act purporting to be signed by the Minister or by or for the Board, or any certified copy thereof,

is *prima facie* evidence of the facts stated therein and of the authority of the person making the document without any proof of appointment or signature.

Service

38.—(1) Any notice, order, approval or other document under this Act or the regulations is sufficiently given or served if delivered personally or sent by registered mail addressed to the person to whom delivery or service is to be made at the latest address appearing on the records of the Ministry.

Notice to clerk of municipality

(2) A notice,

(*a*) given by the Minister pursuant to section 9, section 10 or subsection 3 of section 14;

(*b*) given by the Board pursuant to subsection 3 of section 12; or

(*c*) of the order of the Minister pursuant to section 11,

shall be given to the clerk of each municipality in which the undertaking is being or will be carried out.

Idem

(3) Where notice is given or service is made by registered mail, the giving or service shall be deemed to be made on the seventh day after the day of mailing unless the person to whom notice is given or on whom service is being made establishes that he did not, acting in good faith, through absence, accident, illness or other cause beyond his control receive the notice, order, approval or other document until a later date.

Public notice

(4) Where the Minister or the Board is of the opinion that because the persons who are to be given any notice or document under this Act are so numerous, or for any other reason it is impracticable to give the notice or document to all or any of the persons individually, the Minister or the Board, as the case may be, may instead of doing so, cause the notice or reasonable notice of the contents of the document to be given to the persons by public advertisement or otherwise as the Minister or the Board may direct, and the date on which such notice or reasonable notice of the contents of the document is first published or otherwise given as directed, shall be deemed to be the date on which the notice or document is given.

Inspection of documents

(5) The making available by the Minister of a copy or reproduction made by any means of a document is compliance with the provisions of this Act authorizing the inspection of the document.

Destruction of certain documents

(6) Notwithstanding any provision of this Act, a document may be destroyed by or under the authority of the Minister when it has been completely recorded or copied and the recording or copy is retained for the purpose of inspection under this section.

Where notice to be given to Minister

39. Where a proponent of an undertaking in respect of which an environmental assessment has been accepted by the Minister and for which approval to proceed has been given by the Minister receives notice of any fact, situation, event, order, proceeding or application the result of which or compliance with which has affected, affects or may affect the ability of the proponent to proceed with the undertaking in accordance with any term or condition to which the approval of the Minister to proceed with the undertaking is subject, the proponent shall forthwith give notice thereof to the Minister.

Offence

40. Every person, whether as principal or agent, or an employee of either of them, who contravenes any provision of this Act or the regulations or fails to comply with an order or a term or condition of an approval issued or given under this Act is guilty of an offence and on summary conviction is liable on a first conviction to a fine of not more than $5,000 and on a subsequent conviction to a fine of not more than $10,000 for every day or part thereof upon which the offence occurs or continues.

PART VI

REGULATIONS

41. The Lieutenant Governor in Council may make regulations, Regulations

(*a*) defining any enterprise or activity as a major commercial or business enterprise or activity;

(*b*) defining enterprises or activities as classes of major commercial or business enterprises or activities;

(*c*) defining any body other than a municipality as a public body;

(*d*) designating any major commercial or business enterprise or activity or class of major commercial or business enterprises or activities as an undertaking or class of undertakings to which this Act applies;

(*e*) designating any proposal, plan or program or any class of proposals, plans or programs in respect of any major commercial or business enterprise or activity or any class of major commercial or business enterprises or activities as an undertaking or class of undertakings to which this Act applies;

(*f*) exempting any person, class of persons, undertaking or class of undertakings from the provisions of this Act, the regulations or any section or part of a section thereof and designating any enterprise or activity or class of enterprises or activities or any proposal, plan or program or any class of proposals, plans or programs in respect of any of them by or on behalf of Her Majesty in right of Ontario, by a public body or public bodies or by a municipality or municipalities as an undertaking or class of undertakings to which this Act applies notwithstanding any exemption under this clause;

(*g*) prescribing additional information that shall be contained in environmental assessments submitted to the Minister;

(*h*) prescribing forms for the purposes of this Act and providing for their use.

42. A class of undertakings under this Act or the regulations may be defined with respect to any attribute, quality Class of undertakings

or characteristic or combination thereof and may be defined to include any number of undertakings under one ownership or more than one ownership and whether or not of the same type or with the same attributes, qualities or characteristics.

Scope of regulations

43. Any regulation may be general or particular in its application, may be limited as to time or place or both and may exclude any place from the application of the regulation.

Adoption of codes in regulations

44. Any regulation may adopt by reference, in whole or in part, with such changes as the Lieutenant Governor in Council considers necessary, any code, formula, standard or procedure, and may require compliance with any code, standard or procedure so adopted.

Application of regulations

45.—(1) A regulation is not effective with respect to an enterprise or activity that is commenced before the regulation comes into force.

Idem

(2) Notwithstanding subsection 1, a regulation is effective with respect to,

(*a*) any major commercial or business enterprise or activity that is commenced after the coming into force of this Act and that is being carried on or is not completed when the regulation comes into force;

(*b*) a significant change made in any major commercial or business enterprise or activity after the coming into force of this Act and that is being carried on or is not completed before the regulation comes into force; or

(*c*) any proposal, plan or program in respect of any major commercial or business enterprise or activity or any class of major commercial or business enterprises or activities proposed or made before the coming into force of the regulation whether the proposal, plan or program is proposed or made before or after the coming into force of this Act.

Idem

(3) Notwithstanding subsection 1, a regulation made under clause *f* of section 41 is effective whether the enterprise or activity, or class of enterprises or activities, or proposal, plan or program or class of proposals, plans or programs in respect of any of them is commenced, carried on, made or proposed before or after the coming into force of this Act.

PART VII

MISCELLANEOUS



46. This Act comes into force on a day to be named by proclamation of the Lieutenant Governor. Commencement



47. This Act may be cited as *The Environmental Assessment Act, 1975*. Short title

BILL 11

The Environmental Assessment Act, 1975

1st Reading

March 24th, 1975

2nd Reading

July 2nd, 1975

3rd Reading

THE HON. W. NEWMAN
Minister of the Environment

(Reprinted as amended by the Resources Development Committee)

1975

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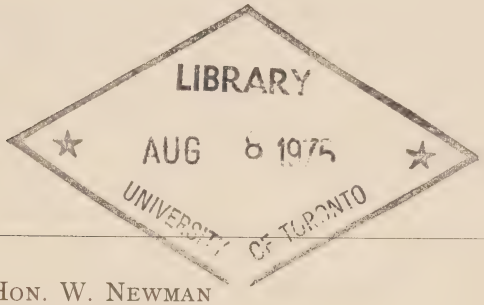
BILL 14

Government Publications

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

The Environmental Assessment Act, 1975



THE HON. W. NEWMAN
Minister of the Environment

TORONTO
PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

BILL 14 **1975**

The Environmental Assessment Act, 1975

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

PART I

INTERPRETATION AND APPLICATION

Interpretation

1. In this Act,

(*a*) "air" includes enclosed air;

(*b*) "Board" means the Environmental Assessment Board established under Part III;

(*c*) "environment" means,

(i) air, land or water,

(ii) plant and animal life, including man,

(iii) the social, economic and cultural conditions that influence the life of man or a community,

(iv) any building, structure, machine or other device or thing made by man,

(v) any solid, liquid, gas, odour, heat, sound, vibration or radiation resulting directly or indirectly from the activities of man, or

(vi) any part or combination of the foregoing and the interrelationships between any two or more of them,

in or of Ontario;

(*d*) "environmental assessment", when used in relation to an undertaking, means an environmental assessment submitted pursuant to subsection 1 of section 5;

(*e*) "land" includes enclosed land, land covered by water and subsoil;

(*f*) "Minister" means the Minister of the Environment;

(*g*) "Ministry" means the Ministry of the Environment;

(*h*) "municipality" means the corporation of a county, metropolitan area, regional area, district area, city, town, village, township or improvement district and includes a local board as defined in *The Municipal Affairs Act* and a board, commission or other local authority exercising any power with respect to municipal affairs or purposes, including school purposes, in an unorganized township or unsurveyed territory;

R.S.O. 1970, c. 118

(*i*) "person" includes a municipality, Her Majesty in right of Ontario, a Crown agency within the meaning of *The Crown Agency Act*, a public body, a partnership, an unincorporated joint venture and an unincorporated association;

R.S.O. 1970, c. 100

(*j*) "proceed" includes "carry on";

(*k*) "proponent" means a person who,

(i) carries out or proposes to carry out an undertaking, or

(ii) is the owner or person having charge, management or control of an undertaking;

(*l*) "provincial officer" means a person designated by the Minister as a provincial officer under Part IV;

(*m*) "public body" means a body other than a municipality that is defined as a public body by the regulations;

(*n*) "regulations" means the regulations made under this Act;

(*o*) "undertaking" means,

(i) an enterprise or activity or a proposal, plan or program in respect of an enterprise or activity by or on behalf of Her Majesty in right of Ontario, by a public body or public bodies or by a municipality or municipalities, or

(ii) a major commercial or business enterprise or activity or a proposal, plan or program in respect of a major commercial or business enterprise or activity of a person or persons other than a person or persons referred to in subclause i that is designated by the regulations;

(*p*) "water" means surface water and ground water, or either of them.

Purpose of Act

2. The purpose of this Act is the betterment of the people of the whole or any part of Ontario by providing for the protection, conservation and wise management in Ontario of the environment.

Application of Act

3. This Act applies to,

(*a*) enterprises or activities or proposals, plans or programs in respect of enterprises or activities by or on behalf of Her Majesty in right of Ontario or by a public body or public bodies or by a municipality or municipalities on and after the day this Act comes into force;

(*b*) only on and after a day to be named in a proclamation of the Lieutenant Governor, major commercial or business enterprises or activities or proposals, plans or programs in respect of major commercial or business enterprises or activities of a person or persons other than a person referred to in clause *a*, designated by the regulations.

The Crown

4. This Act binds the Crown.

PART II

ACCEPTANCE, AMENDMENT, APPROVAL

Submission of environmental assessment

5.—(1) The proponent of an undertaking to which this Act applies shall submit to the Minister an environmental assessment of the undertaking and shall not proceed with the undertaking until,

(*a*) the environmental assessment has been accepted by the Minister; and

(*b*) the Minister has given his approval to proceed with the undertaking.

Exception

(2) Subsection 1 does not prohibit a feasibility study, including research, or any action necessary to comply with this Act before the approval of the Minister is given to proceed with an undertaking.

Content of environmental assessment

(3) An environmental assessment submitted to the Minister pursuant to subsection 1 shall consist of,

(*a*) a description of the purpose of the undertaking;

(*b*) a description of and a statement of the rationale for,

(i) the undertaking,

(ii) the alternative methods of carrying out the undertaking, and

(iii) the alternatives to the undertaking;

(*c*) a description of,

(i) the environment that will be affected or that might reasonably be expected to be affected, directly or indirectly,

(ii) the effects that will be caused or that might reasonably be expected to be caused to the environment, and

(iii) the actions necessary or that may reasonably be expected to be necessary to prevent, change, mitigate or remedy the effects upon or the effects that might reasonably be expected upon the environment,

by the undertaking, the alternative methods of carrying out the undertaking and the alternatives to the undertaking; and

(*d*) an evaluation of the advantages and disadvantages to the environment of the undertaking, the alternative methods of carrying out the undertaking and the alternatives to the undertaking.

Where licences, etc., not to be issued

6.—(1) Where a proponent is required under this Act to submit to the Minister an environmental assessment of an undertaking,

(*a*) a licence, permit, approval, permission or consent that is required under any statute, regulation, by-law or other requirement of the Province of Ontario, an agency thereof, a municipality or a regulatory authority, in order to proceed with the undertaking shall not be issued or granted; and

(*b*) if it is intended that the Province of Ontario or any agency thereof will provide a loan, a guarantee of repayment of a loan, a grant or a subsidy with respect to the undertaking, the loan, guarantee, grant or subsidy shall not be approved, made or given,

unless,

(*c*) the environmental assessment has been submitted to and accepted by the Minister; and

(*d*) the Minister has given approval to proceed with the undertaking.

Exception

(2) Subsection 1 does not apply to,

(*a*) a licence, permit, approval, permission or consent;

(*b*) a loan, guarantee, grant or subsidy,

in relation to a feasibility study, including research, or for any action necessary to comply with this Act before the approval of the Minister is given to proceed with the undertaking.

Preparation of review and notice

7.—(1) Where an environmental assessment of an undertaking is submitted by a proponent to the Minister, the Minister,

(*a*) shall cause a review of the assessment to be prepared; and

(*b*) shall give notice of,

(i) the receipt of the assessment,

(ii) the completion of the preparation of the review,

(iii) the place or places where the assessment and review may be inspected, and

(iv) such other matters as the Minister considers necessary or advisable,

to the proponent, the clerk of each municipality in which the undertaking is being or will be carried out and, in such manner as the Minister considers suitable, to the public and to such other persons as the Minister considers necessary or advisable.

Inspection of environmental assessment

(2) Any person may inspect an environmental assessment of an undertaking and the review thereof in accordance with the terms of the notice referred to in subsection 1 and may, within thirty days of the giving of the notice or within such longer period as may be stated in the notice,

(*a*) make written submissions to the Minister with respect to the undertaking, the environmental assessment and the review thereof; and

(*b*) by written notice to the Minister, require a hearing by the Board with respect to the undertaking, the environmental assessment and the review thereof.

Withdrawal of environmental assessment

(3) A proponent may withdraw or amend an environmental assessment at any time prior to the day on which notice is given under subsection 1 and thereafter may withdraw or amend an environmental assessment subject to such terms and conditions as the Minister may by order impose.

Matters to be considered by the Minister

8. The Minister, in determining whether to accept or to amend and accept an environmental assessment shall consider the purpose of this Act, the environmental assessment submitted to him, the review thereof, the written submissions, if any, made with respect thereto, any reports required by and submitted to him, and any further review that the Minister has caused to be prepared.

Notice of acceptance of environmental assessment

9. Where a hearing is not required,

(*a*) pursuant to clause *a* of subsection 2 of section 12; or

(*b*) pursuant to clause *b* of subsection 2 of section 12 after receipt of a notice pursuant to clause *b* of subsection 2 of section 7,

and the Minister, after considering the matters set out in section 8, is of the opinion that the environmental assessment is satisfactory to enable a decision to be made as to whether approval to proceed with the undertaking with respect to which the environmental assessment is submitted should or should not be given or should be given subject to terms and conditions, the Minister shall accept the assessment and give notice thereof to the proponent and in such manner as the Minister considers suitable, to any person who has made a written submission to the Minister pursuant to subsection 2 of section 7.

Notice of proposal to amend environmental assessment

10.—(1) Where a hearing is not required,

(*a*) pursuant to clause *a* of subsection 2 of section 12; or

(*b*) pursuant to clause *b* of subsection 2 of section 12 after receipt of a notice pursuant to clause *b* of subsection 2 of section 7,

and the Minister, after considering the matters set out in section 8, is of the opinion that the environmental assessment does not comply with this Act or the regulations, is inconclusive or is otherwise unsatisfactory to enable a decision to be made as to whether approval to proceed with the undertaking with respect to which the environmental assessment is submitted should or should not be given or should be given subject to terms and conditions, the Minister shall give notice to the proponent and in such manner as the Minister considers suitable, to any person who has made a written submission to the Minister pursuant to subsection 2 of section 7 that the Minister proposes to amend the environmental assessment, together with written reasons therefor including particulars of the amendments that the Minister proposes to make to the environmental assessment and, after considering any further written submissions of the proponent and of any such person, the Minister, where a hearing is not required pursuant to clause *a* of subsection 2 of section 12 or to clause *b* of subsection 2 of section 12 after receipt of a notice pursuant to subsection 1 of section 12, shall accept or amend and accept the environmental assessment.

Notice of amendment and acceptance of environmental assessment

(2) The Minister shall give notice of the acceptance or the amendment and acceptance of the environmental assessment pursuant to subsection 1 to the proponent, and in such

manner as the Minister considers suitable, to any person who has made a written submission to the Minister pursuant to subsection 2 of section 7, and where the assessment is amended a copy of the assessment as amended and accepted together with written reasons therefor, to the proponent.

Minister may order research, etc., and reports

11.—(1) Where, before accepting an environmental assessment, the Minister is of the opinion that the environmental assessment as submitted does not comply with this Act or the regulations, is inconclusive or is otherwise unsatisfactory to enable a decision to be made as to whether approval to proceed with the undertaking with respect to which the environmental assessment is submitted should or should not be given or should be given subject to terms and conditions, the Minister shall give notice to the proponent that he proposes, by order, to require the proponent to carry out such research, investigations, studies and monitoring programs related to the undertaking in respect of which the environmental assessment is submitted as are mentioned in the notice, together with written reasons therefor.

Written submissions

(2) The Minister, after considering any written submissions of the proponent made within fifteen days of the giving of the notice or within such longer period as may be stated in the notice, may by order require the proponent to carry out such research, investigations, studies and monitoring programs related to the undertaking in respect of which the environmental assessment is submitted and to submit such reports thereon as the Minister considers necessary.

Notice of order

(3) The Minister shall, in such manner as the Minister considers suitable, give notice of the order to any person who has made a written submission to the Minister pursuant to subsection 2 of section 7.

Reports to be incorporated in environmental assessment

(4) Upon submission of the reports to the Minister they shall be incorporated as part of the environmental assessment and the review thereof that the Minister caused to be prepared may be revised accordingly.

Notice

12.—(1) A notice that the Minister proposes to amend an environmental assessment shall state that the proponent or any person who has made a written submission to the Minister pursuant to subsection 2 of section 7 may, by written notice delivered to the Minister within fifteen days after the giving of the notice of proposal to amend, require a hearing by the Board and the proponent or the person may so require such a hearing.

Hearing

(2) The Minister, by notice in writing,

(*a*) may, where he considers it advisable; or

(*b*) shall, upon receipt of a notice requiring a hearing pursuant to subsection 1 or pursuant to subsection 2 of section 7, unless in his absolute discretion he considers that the requirement is frivolous or vexatious or that a hearing is unnecessary or may cause undue delay,

require the Board to hold a hearing with respect to,

(*c*) the acceptance or amendment and acceptance of the environmental assessment;

(*d*) whether approval to proceed with the undertaking in respect of which the environmental assessment was submitted should or should not be given; and

(*e*) whether the approval mentioned in clause *d* should be given subject to terms and conditions and, if so, the provisions of such terms and conditions.

Idem

(3) Upon receipt from the Minister of a notice pursuant to subsection 2, section 13 or clause *c* of subsection 1 of section 24, the Board shall appoint a time for the hearing, shall give reasonable notice thereof to the proponent and to the Minister and in such manner as the Minister may direct, notice to the public, to any person who has made a written submission to the Minister pursuant to subsection 2 of section 7 and to such other persons as the Minister considers necessary or advisable, and such other notice as the Board considers proper, and shall hold the hearing and decide the matters referred to it in the notice of the Minister.

Parties

(4) The parties to any proceedings before the Board in respect of the undertaking are,

(*a*) the proponent;

(*b*) any person, other than the Minister, who has required the hearing; and

(*c*) such other persons as,

(i) the Board, in its opinion, specifies have an interest in the proceedings, and

(ii) the Board, having regard to the purpose of this Act, may specify.

Other hearings

13. Where an environmental assessment has been accepted or amended and accepted, and no hearing has been held pursuant to section 12, the proponent or a person who has made a written submission pursuant to subsection 2 of section 7 may, by written notice delivered to the Minister within fifteen days after the giving of the notice mentioned in section 9 or the notice mentioned in subsection 2 of section 10, require a hearing by the Board with respect to,

(*a*) whether approval to proceed with the undertaking in respect of which the environmental assessment was submitted should or should not be given; and

(*b*) whether the approval mentioned in clause *a* should be given subject to terms and conditions and, if so, the provisions of such terms and conditions, and

the Minister, by notice in writing,

(*c*) may, where he considers it advisable; or

(*d*) shall, upon receipt of any such notice requiring a hearing, unless in his absolute discretion he considers that the requirement is frivolous or vexatious or that a hearing is unnecessary or may cause undue delay,

require the Board to hold a hearing.

Approval to proceed

14.—(1) Where the Minister has accepted an environmental assessment of an undertaking, the Minister may, with the approval of the Lieutenant Governor in Council or of such Ministers of the Crown as the Lieutenant Governor in Council may designate,

(*a*) give approval to proceed with the undertaking;

(*b*) give approval to proceed with the undertaking subject to such terms and conditions as the Minister considers necessary to carry out the purpose of this Act and in particular requiring or specifying,

(i) the methods and phasing of the carrying out of the undertaking,

(ii) the works or actions to prevent, mitigate or remedy effects of the undertaking on the environment,

(iii) such research, investigations, studies and monitoring programs related to the undertaking, and reports thereof, as he considers necessary,

(iv) such changes in the undertaking as he considers necessary,

(v) that the proponent enter into one or more agreements related to the undertaking with any person with respect to such matters as the Minister considers necessary,

(vi) that the proponent comply with all or any of the provisions of the environmental assessment as accepted by the Minister that may be incorporated by reference in the approval,

(vii) the period of time during which the undertaking, or any part thereof, shall be commenced or carried out; or

(*c*) refuse to give approval to proceed with the undertaking.

Matters to be considered by the Minister

(2) In determining whether to give approval, give approval subject to terms and conditions or refuse to give approval to proceed with an undertaking in accordance with subsection 1, the Minister shall consider,

(*a*) the purpose of this Act;

(*b*) the environmental assessment of the undertaking as accepted by the Minister;

(*c*) the submissions, if any, made to the Minister with respect to the environmental assessment.

Notice of approval

(3) The Minister shall give notice, together with written reasons therefor, of his approval, approval subject to terms and conditions or refusal to give approval to proceed with the undertaking to the proponent, and in such manner as

the Minister considers suitable, to any person who has made a written submission to the Minister pursuant to subsection 2 of section 7 and to such other persons as the Minister considers necessary or advisable.

Proceedings under other Acts

15. An approval by the Minister pursuant to this Act to proceed with an undertaking does not preclude any proceeding in relation to a contravention of any provision of *The Environmental Protection Act, 1971*, *The Ontario Water Resources Act* or the regulations made under either of those Acts.

1971, c. 86
R.S.O. 1970, c. 332

Effect of approval

16.—(1) No person shall proceed with an undertaking contrary to any term or condition imposed by the Minister in giving approval to proceed with the undertaking.

Idem

(2) No person shall give, make, issue, interpret or apply any licence, permit, approval, permission, consent, loan, guarantee of repayment of a loan, grant or subsidy that is required in order to proceed with an undertaking contrary to any term or condition imposed by the Minister in giving approval to proceed with the undertaking.

Where proponent proposes to change undertaking

17. Where a proponent of an undertaking proposes to make a change in the undertaking,

(*a*) before the Minister has given approval to proceed with the undertaking, that does not conform to the environmental assessment of the undertaking as accepted by the Minister; or

(*b*) after the Minister has given approval to proceed with the undertaking, that does not conform to any term or condition imposed upon the approval to proceed with the undertaking,

this Act applies to the proposal to make the change in the undertaking as though the proposed change were itself an undertaking to which this Act applies.

PART III

ENVIRONMENTAL ASSESSMENT BOARD

Composition of Board

18.—(1) A board to be known as the Environmental Assessment Board is established and shall be composed of not fewer than five persons who shall be appointed by the Lieutenant Governor in Council and shall not be employed in the public service of Ontario in the employ of any ministry.

Chairman and vice-chairman

(2) The Lieutenant Governor in Council shall designate a chairman and one or more vice-chairmen from among the members of the Board.

Acting chairman

(3) In the case of the absence or inability to act of the chairman or of there being a vacancy in the office of the chairman, a vice-chairman shall act as and have all the powers of the chairman and, in the absence of the chairman and vice-chairman or vice-chairmen from any meeting of the Board, the members of the Board present at the meeting shall appoint an acting chairman who shall act as and have all the powers of the chairman during the meeting.

Term of members

(4) The members of the Board, other than the chairman, shall be appointed for a term of one, two or three years so that as nearly as possible one-third of the members, other than the chairman, shall retire each year.

Term of chairman

(5) The chairman of the Board shall be appointed to hold office during pleasure.

Vacancies

(6) Every vacancy on the Board caused by the death, resignation or incapacity of a member may be filled by the appointment by the Lieutenant Governor in Council of a person to hold office for the remainder of the term of such member.

Quorum

(7) Three members of the Board constitute a quorum.

Employees

(8) Such employees as are necessary to carry out the duties of the Board shall be appointed under *The Public Service Act*. R.S.O. 1970, c. 386

Expert assistance

(9) The Board may appoint from time to time one or more persons having technical or special knowledge of any matter to inquire into and report to the Board and to assist the Board in any capacity in respect of any matter before it.

Remuneration

(10) The members of the Board shall be paid such remuneration and expenses as are determined by the Lieutenant Governor in Council.

Exercise of powers

(11) The powers of the Board shall be exercised by resolution and the Board may pass resolutions governing the calling of and the proceedings at meetings and specifying the powers and duties of employees of the Board and generally dealing with the carrying out of its function.

Practice and procedure

(12) The Board may determine its own practice and procedure in relation to hearings and may, subject to section 28 of *The Statutory Powers Procedure Act, 1971* and 1971, c. 47

the approval of the Lieutenant Governor in Council, make rules governing such practice and procedure and the exercise of its powers in relation thereto and prescribe such forms as are considered advisable.

Conduct of hearings by less than quorum

(13) The chairman may, in writing, authorize less than a quorum of the Board to conduct a hearing and the member or members conducting the hearing shall have all the powers of the Board for the purposes of the hearing.

Only members at hearing to participate in decision

(14) No member of the Board shall participate in a decision of the Board pursuant to a hearing unless he was present throughout the hearing and heard the evidence and argument of the parties and, except with the consent of the parties, no decision of the Board shall be given unless all members so present participate in the decision.

Board may appoint class representative

(15) For the purpose of proceedings before the Board, the Board may appoint from among a class of parties to the proceedings having, in the opinion of the Board, a common interest, a person to represent that class in the proceedings, but any other member of the class for which such appointment was made may, with the consent of the Board, take part in the proceedings notwithstanding the appointment.

Minister entitled to take part in proceedings

(16) The Minister is entitled, by counsel or otherwise, to take part in proceedings before the Board.

Giving of decision

(17) The Board shall give a copy of its decision together with written reasons therefor to the Minister, to the parties, or where an appointment has been made pursuant to subsection 15, to the appointee on behalf of the class, and to such other persons as have made written submissions pursuant to subsection 2 of section 7 and to the clerk of each municipality in which the undertaking is being or will be carried out.

Decisions, etc., of Board not subject to review

When decision is effective

(18) No decision of the Board is effective until it becomes final pursuant to section 24.

(19) No decision, order, direction, resolution or ruling of the Board shall be questioned or reviewed in any court and no proceeding shall be taken in any court by way of injunction, declaratory judgment, *certiorari*, *mandamus*, prohibition, application for judicial review, *quo warranto*, or otherwise to question, review, prohibit or restrain the Board or any of its decisions, orders, directions, resolutions or rulings.

Application of 1971, c. 47

(20) Except as otherwise provided in this Act, *The Statutory Powers Procedure Act, 1971* applies to the proceedings of the Board.

19. A hearing conducted by the Board or a member or members of the Board shall be open to the public except where the Board or the member or members of the Board conducting the hearing is or are of the opinion that matters may be disclosed at the hearing that are of such a nature, having regard to the circumstances, that the desirability of avoiding disclosure thereof in the interest of any person affected or in the public interest outweighs the desirability of adhering to the principle that hearings be open to the public, in which case, the Board or the member or members of the Board conducting the hearing may hold the hearing concerning any such matters *in camera*. Hearings to be public, exceptions

20. Any decision of the Board that becomes final pursuant to section 24 shall be deemed to be the decision of the Minister or of the Minister with the approval required by section 14. Effect of decision of Board

21. No member, employee or appointee of the Board shall be required to give testimony in any proceeding with regard to information obtained by him in the discharge of his duties as a member, employee or appointee of the Board. Testimony by member, employee or appointee of Board

22. Where the Environmental Hearing Board, established under *The Ontario Water Resources Act*, proposed to hold or commenced but did not complete a public hearing or did not report thereon under *The Ontario Water Resources Act* or *The Environmental Protection Act, 1971*, immediately before this section came into force, the hearing shall be held or continued or the report may be made by the Environmental Assessment Board or, where it is necessary or advisable in the opinion of the chairman of the Environmental Assessment Board, the Environmental Assessment Board may hold a fresh hearing and any action or notice taken or given by the Environmental Hearing Board shall be deemed to have been taken or given by the Environmental Assessment Board. Hearings under R.S.O. 1970, c. 332 1971, c. 86

23. For purposes relevant to the subject-matter of a hearing, the Board, its employees and appointees may enter and inspect any land or premises other than a dwelling at any reasonable time. Inspection of premises

24.—(1) Within twenty-eight days after receipt by the Minister of a decision of the Board on any matter referred to it by notice of the Minister pursuant to subsection 2 of section 12 or section 13 or made pursuant to clause *c*, or within such longer period as may be determined by the Variation or rescission of decisions

Minister within such twenty-eight day period, the Minister, with the approval of the Lieutenant Governor in Council or such Ministers of the Crown as the Lieutenant Governor in Council may designate, may,

(*a*) vary the whole or any part of the decision;

(*b*) substitute for the decision of the Board, such decision as he considers appropriate; or

(*c*) by notice to the Board require the Board to hold a new hearing of the whole or any part of the matter referred to the Board by the notice of the Minister and reconsider its decision.

Idem

(2) Subject to subsection 3, a decision of the Board is final after the expiration of the period or periods mentioned in subsection 1 unless, pursuant to subsection 1, the decision is varied or a decision is substituted for the decision of the Board or a new hearing is required.

Idem

(3) A decision of the Board that has been varied pursuant to clause *a* or a decision that has been substituted for the decision of the Board pursuant to clause *b* of subsection 1, is final.

Idem

(4) The Minister shall give notice, together with written reasons therefor, of any variation, substitution or requirement of a new hearing pursuant to subsection 1, to every person entitled to receive a copy of the decision of the Board pursuant to subsection 17 of section 18.

PART IV

PROVINCIAL OFFICERS

Designation of provincial officers

25.—(1) The Minister may designate in writing one or more employees of the Ministry or other persons as provincial officers for the purposes of any section or Part of this Act or any regulation or section of any regulation made under this Act that is referred to in the designation and in a designation may limit the authority of a provincial officer in such manner as the Minister considers necessary or advisable.

Certificate of designation

(2) The Minister shall issue to every provincial officer a certificate of his designation and every provincial officer, in the execution of his duties under this Act and the regulations, shall produce his certificate of designation upon request.

Powers of provincial officer

26.—(1) Where a provincial officer has reasonable grounds for believing that it is necessary, for the purpose of the administration of this Act and the regulations, he may, upon production of his certificate of designation, enter at any reasonable time any building, other than a dwelling, or any structure, machine, vehicle, land, water or air and make or require to be made such surveys, examinations, investigations, tests and inquiries, as he considers necessary for such purpose, including examinations of books, records and documents and may make, take and remove or may require to be made, taken or removed samples, copies or extracts.

Order authorizing

(2) Where a provincial judge is satisfied, upon an *ex parte* application by a provincial officer, that there is reasonable ground for believing that it is necessary to enter any building, including a dwelling, structure, machine, vehicle, land, water or air for the administration of this Act or the regulations, the provincial judge may issue an order authorizing a provincial officer to enter therein or thereon and to make or require to be made such surveys, examinations, investigations, tests and inquiries and to take the other actions mentioned in subsection 1 but every such entry, survey, examination, investigation, test, inquiry and other such action shall be made or taken between sunrise and sunset unless the provincial judge authorizes the provincial officer, by the order, to so act at another time.

Obstruction of provincial officer

27. No person shall hinder or obstruct a provincial officer in the lawful performance of his duties or knowingly furnish a provincial officer with false information or refuse to furnish him with information required for the purposes of this Act and the regulations.

Matters confidential

28.—(1) Every provincial officer shall preserve secrecy in respect of all matters that come to his knowledge in the course of any survey, examination, test or inquiry under this Act or the regulations and shall not communicate any such matter to any person except,

(*a*) as may be required in connection with the administration of this Act and the regulations or any proceedings under this Act or the regulations;

(*b*) to his counsel; or

(*c*) with the consent of the person to whom the information relates.

Idem

(2) Except in a proceeding under this Act or the regulations, no provincial officer shall be required to give testimony in any civil suit or proceeding with regard to

information obtained by him in the course of any survey, examination, test or inquiry under this Act or the regulations.

PART V

ADMINISTRATION

Application to Divisional Court

29. The Minister, in addition to any other remedy and to any penalty imposed by law, may apply to the Divisional Court for an order,

(*a*) enjoining any act to proceed with an undertaking contrary to this Act; or

(*b*) invalidating any licence, permit, approval, permission or consent issued or granted contrary to subsection 1 of section 6,

and the court may make the order on such terms and conditions as the court considers proper.

Exemption

30. Where the Minister is of the opinion that it is in the public interest, having regard to the purpose of this Act and weighing the same against the injury, damage or interference that might be caused to any person or property by the application of this Act to any undertaking, the Minister, with approval of the Lieutenant Governor in Council or of such Ministers of the Crown as the Lieutenant Governor in Council may designate, may by order,

(*a*) exempt the undertaking or the proponent of the undertaking from the application of this Act or the regulations or any matter or matters provided for in this Act or the regulations subject to such terms and conditions as the Minister may impose;

(*b*) suspend or revoke an exemption referred to in clause *a*;

(*c*) alter or revoke any term or condition of an exemption referred to in clause *a*.

Disclosure

31. Notwithstanding any other provision of this Act, where the Minister is of the opinion that compliance with any provision of this Act is causing, will cause or will likely cause the disclosure of matters that are of such a nature that the desirability of avoiding disclosure thereof in the interest of any person affected or in the public interest outweighs the desirability of disclosing such matters to the public, the Minister may make such order for the protection of such person or the public interest as he considers necessary or advisable.

32.—(1) The Minister shall cause to be maintained a record of every undertaking in respect of which an environmental assessment has been submitted under this Act that, subject to any order of the Minister pursuant to section 31, shall consist of the environmental assessment, the review of the environmental assessment that the Minister caused to be prepared, any written submissions, any decision of the Board or the Minister together with written reasons therefor, if any, made under this Act, any notice under section 9, subsection 2 of section 10, subsection 3 of section 14, subsection 4 of section 24 and section 39 and any order of the Minister pursuant to this Act together with the written reasons, if any, therefor. Record

(2) The Minister shall, upon the request of any person, make available for the inspection of such person any record referred to in subsection 1 including any document forming part of the record as soon as practicable after issuance or receipt of the document. Inspection

33. The Minister, for the purposes of the administration and enforcement of this Act and the regulations may, Powers and duties of Minister

(*a*) conduct research with respect to the environment or environmental assessments;

(*b*) conduct studies of the quality of the environment;

(*c*) conduct studies of environmental planning or environmental assessments designed to lead to the wise use of the environment by man;

(*d*) convene conferences and conduct seminars and educational and training programs with respect to the environment or environmental assessments;

(*e*) gather, publish and disseminate information with respect to the environment or environmental assessments;

(*f*) make grants and loans for research or the training of persons with respect to the environment or environmental assessments in such amounts and upon such terms and conditions as the Minister, subject to the approval of the Lieutenant Governor in Council, may determine;

(*g*) appoint committees to perform such advisory functions as the Minister considers advisable;

(*h*) make such investigations, surveys, examinations, tests and other arrangements as he considers necessary; and

(*i*) with the approval of the Lieutenant Governor in Council, enter into an agreement with any government or person with respect to the environment or environmental assessments.

Protection from personal liability

34.—(1) Except in the case of an application for judicial review or an action or proceeding that is specifically provided for with respect to a person referred to in this subsection in any Act or in a regulation under this or any other Act, no action or other proceeding for damages or otherwise lies or shall be instituted against an employee of the Ministry, a member of the Board or a Crown employee within the meaning of *The Public Service Act* who is a provincial officer or is acting under the direction of an employee of the Ministry, or such member or provincial officer, for any act done in good faith in the execution or intended execution of any duty or authority under this Act or for any alleged neglect or default in the execution in good faith of any such duty or authority.

R.S.O. 1970, c. 386

Crown not relieved of liability

R.S.O. 1970, c. 365

(2) Subsection 1 does not, by reason of subsections 2 and 4 of section 5 of *The Proceedings Against the Crown Act*, relieve the Crown of liability in respect of a tort committed by an agent or servant of the Crown to which it would otherwise be subject and the Crown is liable under that Act for any such tort in a like manner as if subsection 1 had not been enacted.

Hearings under other Acts

35. Where a proponent is required under this Act not to proceed with an undertaking until an environmental assessment of the undertaking has been accepted by the Minister and a public hearing is required or permitted under *The Environmental Protection Act, 1971* or *The Ontario Water Resources Act* other than by the Environmental Appeal Board or the Ontario Municipal Board with respect to the undertaking, the Minister shall order,

1971, c. 86

R.S.O. 1970, c. 332

(*a*) that the public hearing under such other Act may be proceeded with and that this Act or the regulations or any matter or matters provided for in this Act or the regulations that is specified in the order does not apply to the undertaking or proponent; or

(*b*) that this Act applies to the undertaking and proponent and the public hearing under such other Act shall be deemed not to be required or permitted.

False information

36. No person shall knowingly give false information in any application, return or statement made to the Minister, the Board, an employee or appointee of the

Board, a provincial officer or any employee of the Ministry in respect of any matter under this Act or the regulations.

Certificates, etc., as evidence

37. In any prosecution, proceeding or hearing under this Act or the regulations, the production of,

(*a*) a certificate or report of an analyst in the employ of the Crown in right of Ontario designated by the Minister as to the analysis, ingredients, quality, quantity or temperature of any material, whether solid, liquid or gas or any combination of them; or

(*b*) any document under this Act purporting to be signed by the Minister or by or for the Board, or any certified copy thereof,

is *prima facie* evidence of the facts stated therein and of the authority of the person making the document without any proof of appointment or signature.

Service

38.—(1) Any notice, order, approval or other document under this Act or the regulations is sufficiently given or served if delivered personally or sent by registered mail addressed to the person to whom delivery or service is to be made at the latest address appearing on the records of the Ministry.

Notice to clerk of municipality

(2) A notice,

(*a*) given by the Minister pursuant to section 9, section 10 or subsection 3 of section 14;

(*b*) given by the Board pursuant to subsection 3 of section 12; or

(*c*) of the order of the Minister pursuant to section 11,

shall be given to the clerk of each municipality in which the undertaking is being or will be carried out.

Idem

(3) Where notice is given or service is made by registered mail, the giving or service shall be deemed to be made on the seventh day after the day of mailing unless the person to whom notice is given or on whom service is being made establishes that he did not, acting in good faith, through absence, accident, illness or other cause beyond his control receive the notice, order, approval or other document until a later date.

Public notice

(4) Where the Minister or the Board is of the opinion that because the persons who are to be given any notice or document under this Act are so numerous, or for any other reason it is impracticable to give the notice or document to all or any of the persons individually, the Minister or the Board, as the case may be, may instead of doing so, cause the notice or reasonable notice of the contents of the document to be given to the persons by public advertisement or otherwise as the Minister or the Board may direct, and the date on which such notice or reasonable notice of the contents of the document is first published or otherwise given as directed, shall be deemed to be the date on which the notice or document is given.

Inspection of documents

(5) The making available by the Minister of a copy or reproduction made by any means of a document is compliance with the provisions of this Act authorizing the inspection of the document.

Destruction of certain documents

(6) Notwithstanding any provision of this Act, a document may be destroyed by or under the authority of the Minister when it has been completely recorded or copied and the recording or copy is retained for the purpose of inspection under this section.

Where notice to be given to Minister

39. Where a proponent of an undertaking in respect of which an environmental assessment has been accepted by the Minister and for which approval to proceed has been given by the Minister receives notice of any fact, situation, event, order, proceeding or application the result of which or compliance with which has affected, affects or may affect the ability of the proponent to proceed with the undertaking in accordance with any term or condition to which the approval of the Minister to proceed with the undertaking is subject, the proponent shall forthwith give notice thereof to the Minister.

Offence

40. Every person, whether as principal or agent, or an employee of either of them, who contravenes any provision of this Act or the regulations or fails to comply with an order or a term or condition of an approval issued or given under this Act is guilty of an offence and on summary conviction is liable on a first conviction to a fine of not more than $5,000 and on a subsequent conviction to a fine of not more than $10,000 for every day or part thereof upon which the offence occurs or continues.

PART VI

REGULATIONS

Regulations

41. The Lieutenant Governor in Council may make regulations,

(*a*) defining any enterprise or activity as a major commercial or business enterprise or activity;

(*b*) defining enterprises or activities as classes of major commercial or business enterprises or activities;

(*c*) defining any body other than a municipality as a public body;

(*d*) designating any major commercial or business enterprise or activity or class of major commercial or business enterprises or activities as an undertaking or class of undertakings to which this Act applies;

(*e*) designating any proposal, plan or program or any class of proposals, plans or programs in respect of any major commercial or business enterprise or activity or any class of major commercial or business enterprises or activities as an undertaking or class of undertakings to which this Act applies;

(*f*) exempting any person, class of persons, undertaking or class of undertakings from the provisions of this Act, the regulations or any section or part of a section thereof and designating any enterprise or activity or class of enterprises or activities or any proposal, plan or program or any class of proposals, plans or programs in respect of any of them by or on behalf of Her Majesty in right of Ontario, by a public body or public bodies or by a municipality or municipalities as an undertaking or class of undertakings to which this Act applies notwithstanding any exemption under this clause;

(*g*) prescribing additional information that shall be contained in environmental assessments submitted to the Minister;

(*h*) prescribing forms for the purposes of this Act and providing for their use.

Class of undertakings

42. A class of undertakings under this Act or the regulations may be defined with respect to any attribute, quality

BILL 71

The Environmental Assessment Act, 1975

1st Reading

March 24th, 1975

2nd Reading

July 2nd, 1975

3rd Reading

July 14th, 1975

THE HON. W. NEWMAN
Minister of the Environment

1975

Government
Publications

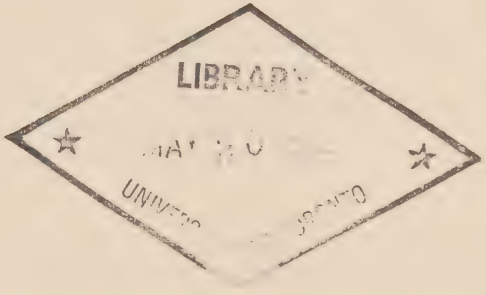
BILL 15 Government Bill

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to amend The Environmental Protection Act, 1971

THE HON. W. NEWMAN
Minister of the Environment



TORONTO
PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

Explanatory Note

The amendments contained in this Bill are complementary to the dissolution of the Environmental Hearing Board under the Bill entitled *An Act to amend The Ontario Water Resources Act* and the establishment of the Environmental Assessment Board under the Bill entitled *The Environmental Assessment Act, 1975*.

BILL 15 **1975**

An Act to amend The Environmental Protection Act, 1971

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause *da* of section 1 of *The Environmental Protection Act, 1971*, being chapter 86, as enacted by the Statutes of Ontario, 1972, chapter 106, section 1, is repealed and the following substituted therefor: s. 1 (*da*), re-enacted

(*da*) "Environmental Assessment Board" means the Environmental Assessment Board established under *The Environmental Assessment Act, 1975*. 1975, c....

2. The words "Hearing Board" where they occur in the said Act or the regulations are struck out and the words "Environmental Assessment Board" are substituted therefor. Environmental Assessment Board substituted for Hearing Board

3. Subsection 3 of section 33*d* of the said Act, as enacted by the Statutes of Ontario, 1972, chapter 106, section 7, is repealed and the following substituted therefor: s. 33*d* (3), re-enacted

(3) Except where otherwise provided in this Act and notwithstanding the requirement that a hearing be a public hearing, the provisions of Part III of *The Environmental Assessment Act, 1975* apply where a hearing is required to be held under subsection 1 by the Environmental Assessment Board. Procedure 1975, c....

4. Subsection 3 of section 35 of the said Act, as re-enacted by the Statutes of Ontario, 1972, chapter 106, section 8, is repealed and the following substituted therefor: s. 35 (3), re-enacted

(3) Except where otherwise provided in this Act and notwithstanding the requirement that a hearing be a public hearing, the provisions of Part III of *The Environmental Assessment Act, 1975* apply where a hearing is required to be held under subsection 1 by the Environmental Assessment Board. Procedure 1975, c....

Commencement

5. This Act comes into force on a day to be named by proclamation of the Lieutenant Governor.

Short title

6. This Act may be cited as *The Environmental Protection Amendment Act, 1975*.

BILL 40

An Act to amend
The Environmental Protection Act, 1971

1st Reading

March 24th, 1975

2nd Reading

3rd Reading

THE HON. W. NEWMAN
Minister of the Environment

(*Government Bill*)

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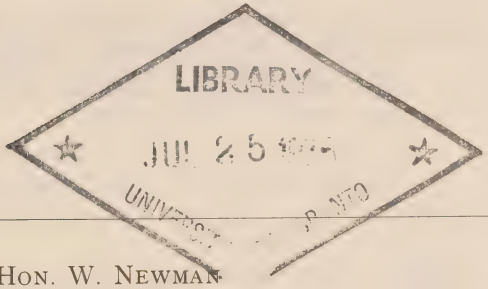
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BILL 15 **Government Bill**

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to amend The Environmental Protection Act, 1971



THE HON. W. NEWMAN
Minister of the Environment

(Reprinted as amended by the Resources Development Committee)

TORONTO
PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

Explanatory Note

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BILL 15 **1975**

An Act to amend The Environmental Protection Act, 1971

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause *da* of section 1 of *The Environmental Protection Act, 1971*, being chapter 86, as enacted by the Statutes of Ontario, 1972, chapter 106, section 1, is repealed and the following substituted therefor: s. 1 (*da*), re-enacted

(*da*) "Environmental Assessment Board" means the Environmental Assessment Board established under *The Environmental Assessment Act, 1975*. 1975, c....

2. The words "Hearing Board" where they occur in the said Act or the regulations are struck out and the words "Environmental Assessment Board" are substituted therefor. Environmental Assessment Board substituted for Hearing Board

3.—(1) Subsection 3 of section 33*d* of the said Act, as enacted by the Statutes of Ontario, 1972, chapter 106, section 7, is repealed and the following substituted therefor: s. 33*d* (3), re-enacted

(3) Except where otherwise provided in this Act and notwithstanding the requirement that a hearing be a public hearing, the provisions of Part III of *The Environmental Assessment Act, 1975* apply where a hearing is required to be held under subsection 1 by the Environmental Assessment Board. Procedure 1975, c....

(2) The said section 33*d* is amended by adding thereto the following subsections: s. 33*d*, amended

(3*a*) Subsections 12 and 14 to 20 of section 18 and sections 20 and 24 of *The Environmental Assessment Act, 1975* do not apply where a hearing is required to be held under subsection 1 by the Environmental Assessment Board. Application of 1975, c. ...

(3*b*) Where a hearing is required to be held under subsection 1 by the Environmental Assessment Board, Hearings

(*a*) the Board shall determine its own practice and procedure in relation to hearings and may, subject to the approval of the Lieutenant Governor in Council, make rules governing such practice and procedure and the exercise of its powers in relation thereto and prescribe such forms as are considered advisable;

(*b*) the member or members conducting a hearing shall prepare and submit to the Board a draft report of the Board referred to in clause *e* and, after notice of the purpose of the meeting has been given to all members of the Board, the Board shall consider the draft report at a meeting of the Board called for the purpose of preparing the report and the Board in preparing the report may,

(i) adopt the draft report;

(ii) adopt the draft report with such changes as the Board considers advisable, or

(iii) reject the draft report and take such other action for the purpose of preparing the report, including the holding of additional hearings, as the Board considers advisable;

(*c*) a hearing by the Board is for the purpose of making a report containing information and advice and the report is not in any way legally binding in any decision or determination that may be made;

(*d*) for the purposes of the exercise of any power or authority or the discharge of any duty by the Board or any member or members thereof conducting a hearing, the Board, or such member or members, has or have the powers of a commission under Part II of *The Public Inquiries Act, 1971*, which Part applies to the exercise of such power or authority and the discharge of such duty as if it were an inquiry under that Act; and

1971, c. 49

(*e*) the report of the Board shall contain a summary of the information presented and the views expressed at the hearing and its recommendations in respect of the subject-matter of the hearing, together with its reasons therefor.

s. 35 (3), re-enacted

4.—(1) Subsection 3 of section 35 of the said Act, as re-enacted by the Statutes of Ontario, 1972, chapter 106, section 8, is repealed and the following substituted therefor:

(3) Except where otherwise provided in this Act and notwithstanding the requirement that a hearing be a public hearing, the provisions of Part III of *The Environmental Assessment Act, 1975* apply where a hearing is required to be held under subsection 1 by the Environmental Assessment Board. Procedure 1975, c....

(2) The said section 35 is amended by adding thereto the following subsection: s. 35, amended

(3*a*) The provisions of subsections 3*a* and 3*b* of section 33*d* apply where a hearing is required to be held under subsection 1 by the Environmental Assessment Board. Application of s. 33*d* (3*a*, 3*b*)

5. This Act comes into force on a day to be named by proclamation of the Lieutenant Governor. Commencement

6. This Act may be cited as *The Environmental Protection Amendment Act, 1975*. Short title

BILL 15

An Act to amend
The Environmental Protection Act, 1971

1st Reading

March 24th, 1975

2nd Reading

July 3rd, 1975

3rd Reading

THE HON. W. NEWMAN
Minister of the Environment

(Reprinted as amended by the Resources Development Committee)

1975

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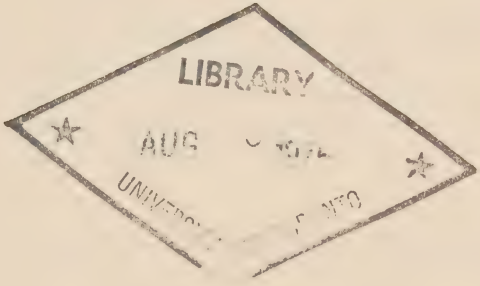
BILL 15

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to amend The Environmental Protection Act, 1971

THE HON. W. NEWMAN
Minister of the Environment



TORONTO
PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

BILL 15 **1975**

An Act to amend The Environmental Protection Act, 1971

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

s. 1 (*da*), re-enacted

1. Clause *da* of section 1 of *The Environmental Protection Act, 1971*, being chapter 86, as enacted by the Statutes of Ontario, 1972, chapter 106, section 1, is repealed and the following substituted therefor:

(*da*) "Environmental Assessment Board" means the Environmental Assessment Board established under *The Environmental Assessment Act, 1975*. 1975, c....

Environmental Assessment Board substituted for Hearing Board

2. The words "Hearing Board" where they occur in the said Act or the regulations are struck out and the words "Environmental Assessment Board" are substituted therefor.

s. 33*d* (3), re-enacted

3.—(1) Subsection 3 of section 33*d* of the said Act, as enacted by the Statutes of Ontario, 1972, chapter 106, section 7, is repealed and the following substituted therefor:

Procedure

(3) Except where otherwise provided in this Act and notwithstanding the requirement that a hearing be a public hearing, the provisions of Part III of *The Environmental Assessment Act, 1975* apply where a hearing is required to be held under subsection 1 by the Environmental Assessment Board. 1975, c....

s. 33*d*, amended

(2) The said section 33*d* is amended by adding thereto the following subsections:

Application of 1975, c. ...

(3*a*) Subsections 12 and 14 to 20 of section 18 and sections 20 and 24 of *The Environmental Assessment Act, 1975* do not apply where a hearing is required to be held under subsection 1 by the Environmental Assessment Board.

Hearings

(3*b*) Where a hearing is required to be held under subsection 1 by the Environmental Assessment Board,

(*a*) the Board shall determine its own practice and procedure in relation to hearings and may, subject to the approval of the Lieutenant Governor in Council, make rules governing such practice and procedure and the exercise of its powers in relation thereto and prescribe such forms as are considered advisable;

(*b*) the member or members conducting a hearing shall prepare and submit to the Board a draft report of the Board referred to in clause *e* and, after notice of the purpose of the meeting has been given to all members of the Board, the Board shall consider the draft report at a meeting of the Board called for the purpose of preparing the report and the Board in preparing the report may,

(i) adopt the draft report;

(ii) adopt the draft report with such changes as the Board considers advisable, or

(iii) reject the draft report and take such other action for the purpose of preparing the report, including the holding of additional hearings, as the Board considers advisable;

(*c*) a hearing by the Board is for the purpose of making a report containing information and advice and the report is not in any way legally binding in any decision or determination that may be made;

(*d*) for the purposes of the exercise of any power or authority or the discharge of any duty by the Board or any member or members thereof conducting a hearing, the Board, or such member or members, has or have the powers of a commission under Part II of *The Public Inquiries Act, 1971*, which Part applies to the exercise of such power or authority and the discharge of such duty as if it were an inquiry under that Act; and

1971, c. 49

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(2) The said section 35 is amended by adding thereto the following subsection: s. 35, amended

(3*a*) The provisions of subsections 3*a* and 3*b* of section 33*d* apply where a hearing is required to be held under subsection 1 by the Environmental Assessment Board. Application of s. 33*d* (3*a*, 3*b*)

5. This Act comes into force on a day to be named by proclamation of the Lieutenant Governor. Commencement

6. This Act may be cited as *The Environmental Protection Amendment Act, 1975*. Short title

BILL 15

An Act to amend
The Environmental Protection Act, 1971

1st Reading

March 24th, 1975

2nd Reading

July 3rd, 1975

3rd Reading

July 14th, 1975

THE HON. W. NEWMAN
Minister of the Environment

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BILL 16

Government Bill

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to amend The Ontario Water Resources Act

THE HON. W. NEWMAN
Minister of the Environment



TORONTO
PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

Explanatory Note

The amendments contained in this Bill dissolve the Environmental Hearing Board and substitute for it the Environmental Assessment Board established under the Bill entitled *The Environmental Assessment Act, 1975*.

BILL 16 **1975**

An Act to amend The Ontario Water Resources Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause *ib* of section 1 of *The Ontario Water Resources Act*, being chapter 332 of the Revised Statutes of Ontario, 1970, as enacted by the Statutes of Ontario, 1972, chapter 1, section 70, is repealed and the following substituted therefor: s. 1 (*ib*), repealed

(*ib*) "Environmental Assessment Board" means the Environmental Assessment Board established under *The Environmental Assessment Act, 1975*. 1975, c....

2. The words "Hearing Board" where they occur in the said Act or in any regulation made under the said Act are struck out and the words "Environmental Assessment Board" are substituted therefor. Environmental Assessment Board substituted for Hearing Board

3.—(1) Subsections 1 to 9 of section 9*a* of the said Act, as enacted by the Statutes of Ontario, 1972, chapter 1, section 70, are repealed. s. 9*a* (1-9), repealed

(2) Subsection 12 of the said section 9*a* is repealed and the following substituted therefor: s. 9*a* (12), re-enacted

(12) Except where otherwise provided in this Act and notwithstanding the requirement that a hearing be a public hearing, the provisions of Part III of *The Environmental Assessment Act, 1975* apply where a hearing is required to be held under this Act by the Environmental Assessment Board. Procedure 1975, c....

(3) Subsections 13 and 15 of the said section 9*a* are repealed. s. 9*a* (13, 15), repealed

4. This Act comes into force on a day to be named by proclamation of the Lieutenant Governor. Commencement

5. This Act may be cited as *The Ontario Water Resources Amendment Act, 1975*. Short title

BILL 16

An Act to amend
The Ontario Water Resources Act

1st Reading

March 24th, 1975

2nd Reading

3rd Reading

THE HON. W. NEWMAN
Minister of the Environment

(*Government Bill*)

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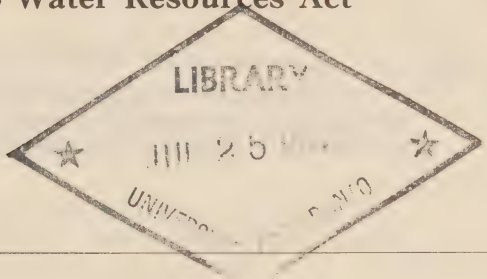
Government Publications

BILL 16 **Government Bill**

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

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An Act to amend The Ontario Water Resources Act



THE HON. W. NEWMAN
Minister of the Environment

(Reprinted as amended by the Resources Development Committee)

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(12) Except where otherwise provided in this Act and notwithstanding the requirement that a hearing be a public hearing, the provisions of Part III of *The Environmental Assessment Act, 1975* apply where a hearing is required to be held under this Act by the Environmental Assessment Board. Procedure 1975, c....

(3) The said section 9*a* is amended by adding thereto the following subsections: s. 9*a*, amended

(12*a*) Subsections 12 and 14 to 20 of section 18 and sections 20 and 24 of *The Environmental Assessment Act, 1975* do not apply where a hearing is required to be held under this Act by the Environmental Assessment Board. Application of 1975, c. ....

Hearings

(12*b*) Where a hearing is required to be held under this Act by the Environmental Assessment Board,

(*a*) the Board shall determine its own practice and procedure in relation to hearings and may, subject to the approval of the Lieutenant Governor in Council, make rules governing such practice and procedure and the exercise of its powers in relation thereto and prescribe such forms as are considered advisable;

(*b*) the member or members conducting a hearing shall prepare and submit to the Board a draft report of the Board referred to in clause *e* and, after notice of the purpose of the meeting has been given to all members of the Board, the Board shall consider the draft report at a meeting of the Board called for the purpose of preparing the report and the Board in preparing the report may,

(i) adopt the draft report,

(ii) adopt the draft report with such changes as the Board considers advisable, or

(iii) reject the draft report and take such other action for the purpose of preparing the report, including the holding of additional hearings, as the Board considers advisable;

(*c*) a hearing by the Board is for the purpose of making a report containing information and advice and the report is not in any way legally binding in any decision or determination that may be made;

(*d*) for the purposes of the exercise of any power or authority or the discharge of any duty by the Board or any member or members thereof conducting a hearing, the Board, or such member or members, has or have the powers of a commission under Part II of *The Public Inquiries Act, 1971*, which Part applies to the exercise of such power or authority and the discharge of such duty as if it were an inquiry under that Act; and

1971, c. 49

(*e*) the report of the Board shall contain a summary of the information presented and the views expressed at the hearing and its recommendations in respect of the subject-matter of the hearing, together with its reasons therefor.

(4) Subsections 13 and 15 of the said section 9*a* are repealed. s. 9*a* (13, 15), repealed

4. This Act comes into force on a day to be named by proclamation of the Lieutenant Governor. Commencement

5. This Act may be cited as *The Ontario Water Resources Amendment Act, 1975*. Short title

An Act to amend
The Ontario Water Resources Act

1st Reading

March 24th, 1975

2nd Reading

July 3rd, 1975

3rd Reading

THE HON. W. NEWMAN
Minister of the Environment

(Reprinted as amended by the Resources Development Committee)

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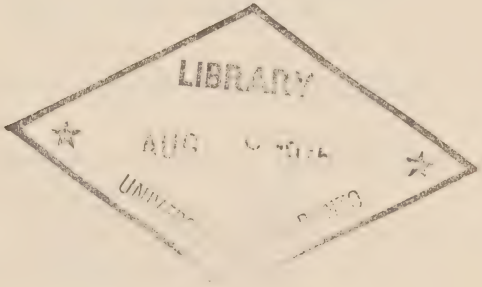
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5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to amend The Ontario Water Resources Act

THE HON. W. NEWMAN
Minister of the Environment



TORONTO
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(12*a*) Subsections 12 and 14 to 20 of section 18 and sections 20 and 24 of *The Environmental Assessment Act, 1975* do not apply where a hearing is required to be held under this Act by the Environmental Assessment Board. Application of 1975, c. ...

Hearings

(12*b*) Where a hearing is required to be held under this Act by the Environmental Assessment Board,

(*a*) the Board shall determine its own practice and procedure in relation to hearings and may, subject to the approval of the Lieutenant Governor in Council, make rules governing such practice and procedure and the exercise of its powers in relation thereto and prescribe such forms as are considered advisable;

(*b*) the member or members conducting a hearing shall prepare and submit to the Board a draft report of the Board referred to in clause *e* and, after notice of the purpose of the meeting has been given to all members of the Board, the Board shall consider the draft report at a meeting of the Board called for the purpose of preparing the report and the Board in preparing the report may,

(i) adopt the draft report,

(ii) adopt the draft report with such changes as the Board considers advisable, or

(iii) reject the draft report and take such other action for the purpose of preparing the report, including the holding of additional hearings, as the Board considers advisable;

(*c*) a hearing by the Board is for the purpose of making a report containing information and advice and the report is not in any way legally binding in any decision or determination that may be made;

(*d*) for the purposes of the exercise of any power or authority or the discharge of any duty by the Board or any member or members thereof conducting a hearing, the Board, or such member or members, has or have the powers of a commission under Part II of *The Public Inquiries Act, 1971*, which Part applies to the exercise of such power or authority and the discharge of such duty as if it were an inquiry under that Act; and

1971, c. 49

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BILL 16

An Act to amend
The Ontario Water Resources Act

1st Reading

March 24th, 1975

2nd Reading

July 3rd, 1975

3rd Reading

July 14th, 1975

THE HON. W. NEWMAN
Minister of the Environment

1975

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BILL 17

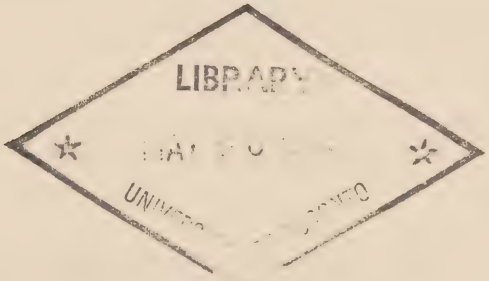
Private Member's Bill

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to provide for the Appointment of a Labour Ombudsman

MR. REID



TORONTO
PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

Explanatory Note

The purpose of the Bill is to establish a Labour Ombudsman to hear and investigate employee complaints with respect to employers and trade unions.

BILL 17 **1975**

An Act to provide for the Appointment of a Labour Ombudsman

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

Interpretation

1. In this Act,

(*a*) "Minister" means the Minister of Labour;

(*b*) "Ministry" means the Ministry of Labour;

(*c*) "Ombudsman" means the Labour Ombudsman appointed under this Act;

(*d*) "trade union" has the same meaning as in section 1 of *The Labour Relations Act*. R.S.O. 1970, c. 232

Appointment

2. There shall be appointed by the Lieutenant Governor in Council on the recommendation of the Assembly as an officer of the Legislature a Labour Ombudsman, to be called the Ombudsman, who shall exercise the powers and perform the duties set out in this Act.

Term of office

3.—(1) The recommendation for the appointment of the Ombudsman shall be made in the first session of every Legislature.

Reappointment

(2) Unless his office sooner becomes vacant, every person appointed as Ombudsman shall hold office until his successor is appointed, and every such person may from time to time be reappointed.

Resignation

(3) The Ombudsman may at any time resign his office by a writing addressed to the Speaker of the Assembly or, if there is no Speaker or if the Speaker is absent from Ontario, to the Clerk of the Assembly.

Removal from office

4.—(1) The Ombudsman may at any time be removed or suspended from his office by the Lieutenant Governor in Council on the recommendation of the Assembly for disability, neglect of duty or misconduct.

Suspension when Legislature not in session

(2) At any time when the Legislature is not in session, the Ombudsman may be suspended from his office by the Lieutenant Governor in Council for disability, neglect of duty or misconduct proved to the satisfaction of the Lieutenant Governor in Council, but any such suspension shall not continue in force beyond the end of the next ensuing session of the Legislature.

Filling of vacancy

5.—(1) If the Ombudsman dies, retires, resigns or is removed from office, the vacancy thereby created shall be filled in accordance with this section.

When Legislature in session

(2) If a vacancy in the office of Ombudsman occurs at any time while the Legislature is in session, it shall be filled by the appointment of an Ombudsman by the Lieutenant Governor in Council on the recommendation of the Assembly, but, if the vacancy occurs less than one month before the end of that session and no such recommendation is made in that session, subsection 3 applies as if the vacancy had occurred while the Legislature was not in session.

When Legislature not in session

(3) If such a vacancy occurs at any time while the Legislature is not in session, the Lieutenant Governor in Council may appoint an Ombudsman to fill the vacancy, and the person so appointed shall, unless his office sooner becomes vacant, hold office until his appointment is confirmed by the Assembly, and, if the appointment is not so confirmed within two months after the commencement of the next ensuing session, the appointment lapses, and there shall be deemed to be a vacancy in the office of Ombudsman.

Oath of office

6.—(1) Before entering upon his duties, the Ombudsman shall take an oath that he will faithfully and impartially perform the duties of his office and that he will not, except in accordance with subsection 2 of section 12, divulge any information received by him under this Act.

Idem

(2) The oath shall be administered by the Speaker of the Assembly or by the Clerk of the Assembly.

Staff

7. Subject to the approval of the Lieutenant Governor in Council, the Ombudsman may appoint such officers and employees as may be necessary for the efficient carrying out of his functions under this Act.

Duty

8.—(1) It is the duty of the Ombudsman, and he has the power to investigate any matter, decision or recommendation made, including any recommendation to the Minister, with respect to any employee and his relations with an employer or a trade union.

Initiation of investigation

(2) The Ombudsman may undertake an investigation under subsection 1, either on a complaint made to him by any person or of his own motion and the Ombudsman has the powers of a commission under Part II of *The Public Inquiries Act, 1971*, which Part applies to such investigation as if it were an inquiry under that Act.

1971, c. 49

Powers and duties paramount

9. The powers and duties conferred on the Ombudsman by this Act may be exercised and performed notwithstanding any provision in any Act to the effect that any decision, recommendation, act or omission mentioned in subsection 1 is final, or that no appeal lies in respect thereof, or that no proceeding or decision of the person or organization whose decision, recommendation, act or omission it is shall be challenged, reviewed, quashed or called in question.

Mode of complaint

10. Every complaint to the Ombudsman shall be made in writing.

Discretion to investigate

11. Without limiting the generality of the powers conferred on the Ombudsman by this Act, the Ombudsman may in his discretion decide not to investigate, or, as the case may require, not to further investigate, any complaint if it relates to any decision, recommendation, act or omission of which the complainant has had knowledge for more than twelve months before the complaint is received by the Ombudsman, or if in the opinion of the Ombudsman,

(*a*) the subject-matter of the complaint is trivial;

(*b*) the complaint is frivolous or vexatious or is not made in good faith; or

(*c*) the complainant has not a sufficient personal interest in the subject-matter of the complaint.

Secrecy

12.—(1) The Ombudsman and every person holding any office or appointment under him shall maintain secrecy in respect of all matters that come to their knowledge in the exercise of their functions.

Exception

(2) Notwithstanding subsection 1, the Ombudsman may disclose in any report made by him under this Act such matters as in his opinion ought to be disclosed in order to establish grounds for his conclusions and recommendations.

Report to Minister

13.—(1) Where the Ombudsman has undertaken an investigation under section 8, he shall, as soon as is practicable after the completion of the investigation, report to the Minister his findings together with any recommendations which he may consider appropriate.

Report to Assembly

(2) If, within a reasonable time after the report referred to in subsection 1 is made, no action is taken that seems to the Ombudsman to be adequate and appropriate in the circumstances, the Ombudsman, in his discretion, after considering the comments, if any, made by the Minister, shall submit a copy of his report and recommendations to the Lieutenant Governor in Council and shall then lay the report before the Assembly if it is in session or, if not, at the next ensuing session.

Commencement

14. This Act comes into force on the day it receives Royal Assent.

Short title

15. This Act may be cited as *The Labour Ombudsman Act, 1975*.

BILL 17

An Act to provide for the
Appointment of a Labour Ombudsman

1st Reading

March 24th, 1975

2nd Reading

3rd Reading

MR. REID

(*Private Member's Bill*)

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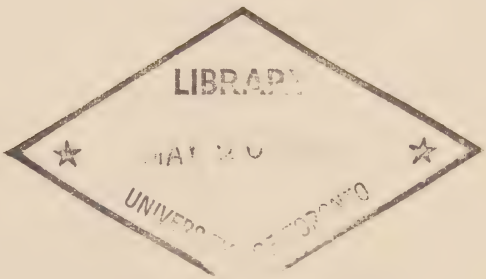
BILL 18 **Private Member's Bill**

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to amend The Judicature Act

MR. ROY



TORONTO
PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

Explanatory Note

The Bill authorizes the use of the French language in writs, pleadings and proceedings in court in certain instances.

BILL 18 **1975**

An Act to amend The Judicature Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 127 of *The Judicature Act*, being chapter 228 of the Revised Statutes of Ontario, 1970, is repealed and the following substituted therefor: s. 127, re-enacted

PLEADINGS TO BE IN ENGLISH OR FRENCH

127.—(1) Subject to subsection 2, writs, pleadings and proceedings in all courts shall be in the English language only, but the proper or known names of writs or other process, or technical words, may be in the same language as has been commonly used. Writs, pleadings and proceedings in English

(2) Writs, pleadings and proceedings may be in the French language in all courts where, Writs, pleadings and proceedings in French

(*a*) a consent in writing signed by all parties to the action is filed with the court, authorizing the use of the French language; and

(*b*) the court is located in a geographic area in Ontario which is designated as a bilingual region by the Government of Canada or where at least 10 per cent of the residents in the area have indicated French as their first language according to the most recent population census of the Government of Canada under the *Statistics Act*. R.S.C. 1970, c. S-16

2. This Act comes into force on the day it receives Royal Assent. Commencement

3. This Act may be cited as *The Judicature Amendment Act, 1975*. Short title

BILL 18

An Act to amend The Judicature Act

1st Reading

March 25th, 1975

2nd Reading

3rd Reading

MR. ROY

(*Private Member's Bill*)

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Publications

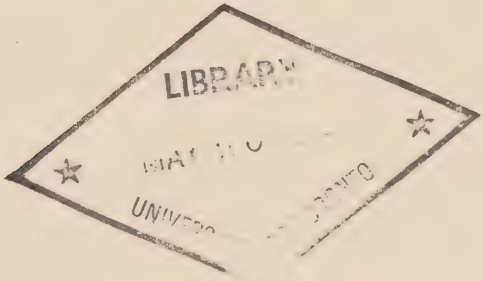
BILL 19 Private Member's Bill

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to amend The Ontario Human Rights Code

MR. NEWMAN
Windsor-Walkerville



TORONTO
PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

Explanatory Note

The purpose of the Bill is to prevent discrimination on the basis of a physical handicap.

BILL 19 **1975**

An Act to amend The Ontario Human Rights Code

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. The preamble to *The Ontario Human Rights Code*, being chapter 318 of the Revised Statutes of Ontario, 1970, as amended by the Statutes of Ontario, 1972, chapter 119, section 1, is further amended by inserting after "status" in the amendment of 1972 "a physical handicap". Preamble amended

2. Subsection 1 of section 1 of the said Act, as amended by the Statutes of Ontario, 1972, chapter 119, section 2, is further amended by inserting after "status" in the amendment of 1972 "a physical handicap". s. 1 (1), amended

3. Subsection 1 of section 2 of the said Act, as amended by the Statutes of Ontario, 1972, chapter 119, section 3, is further amended by inserting after "status" in the amendment of 1972 "a physical handicap". s. 2 (1), amended

4. Subsection 1 of section 3 of the said Act, as re-enacted by the Statutes of Ontario, 1972, chapter 119, section 4, is amended by inserting after "sex" in the eleventh line "a physical handicap". s. 3 (1), amended

5.—(1) Subsection 1 of section 4 of the said Act, as re-enacted by the Statutes of Ontario, 1972, chapter 119, section 5, is amended by inserting after "status" in the twenty-second line "a physical handicap". s. 4 (1), amended

(2) Subsection 2 of the said section 4 is amended by inserting after "status" in the fifth line "a physical handicap". s. 4 (2), amended

(3) Subsection 3 of the said section 4 is amended by inserting after "status" in the ninth line "a physical handicap". s. 4 (3), amended

s. 4 (5), amended

(4) Subsection 5 of the said section 4 is amended by inserting after "status" in the third line "a physical handicap".

s. 4, amended

(5) The said section 4, as amended by the Statutes of Ontario, 1974, chapter 73, sections 2 and 3, is further amended by adding thereto the following subsection:

Exception

(6*a*) The provisions of this section do not apply where the nature or extent of the physical handicap would reasonably preclude the performance of the particular employment.

s. 4 (7), amended

(6) Subsection 7 of the said section 4 is amended by inserting after "status" in the third line "a physical handicap".

s. 4*a* (1), amended

6.—(1) Subsection 1 of section 4*a* of the said Act, as enacted by the Statutes of Ontario, 1972, chapter 119, section 6, is amended by inserting after "status" in the fourth line "a physical handicap".

s. 4*a* (2), amended

(2) Subsection 2 of the said section 4*a* is amended by inserting after "status" in the fourth line "a physical handicap".

s. 6*a*, amended

7. Section 6*a* of the said Act, as enacted by the Statutes of Ontario, 1972, chapter 119, section 7, is amended by inserting after "status" in the eighth line "physical handicaps".

s. 9 (*a*, *c*), amended

8. Clauses *a* and *c* of section 9 of the said Act, as re-enacted by the Statutes of Ontario, 1972, chapter 119, section 9, are amended by inserting after "status" in the fourth line, in each instance, "physical handicaps".

s. 19, amended

9. Section 19 of the said Act, as amended by the Statutes of Ontario, 1972, chapter 119, section 14, is further amended by adding thereto the following clause:

(*ha*) "physical handicap" means a physical disability, infirmity, malformation or disfigurement which is caused by bodily injury, birth defect or illness and includes epilepsy and any degree of paralysis, amputation, lack of physical co-ordination, blindness or visual impediment, deafness or hearing impediment, muteness or speech impediment or physical reliance on a seeing eye dog, wheelchair, or other remedial appliance or device.

10. This Act comes into force on the day it receives Royal Assent. Commencement

11. This Act may be cited as *The Ontario Human Rights Code Amendment Act, 1975*. Short title

BILL 19

An Act to amend
The Ontario Human Rights Code

1st Reading

March 25th, 1975

2nd Reading

3rd Reading

MR. NEWMAN
Windsor-Walkerville

(*Private Member's Bill*)

Publications

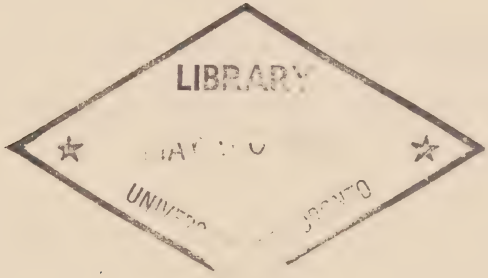
BILL 20 **Private Member's Bill**

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to amend The Ontario Energy Board Act

MR. YOUNG



TORONTO
PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

Explanatory Note

The purpose of the Bill is to expand the jurisdiction of the Board to enable it to approve terms and conditions of supply agreements between the companies and the consumer, particularly in the area of water heater and conversion burner rentals.

BILL 20 **1975**

An Act to amend The Ontario Energy Board Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 1 of section 19 of *The Ontario Energy Board Act*, being chapter 312 of the Revised Statutes of Ontario, 1970, is repealed and the following substituted therefor: s. 19 (1), re-enacted

(1) Subject to the regulations, the Board may make orders approving or fixing, Rates

(*a*) just and reasonable rates and other charges for the sale of gas by transmitters, distributors and storage companies, and for the transmission, distribution and storage of gas; and

(*b*) just and reasonable standards, classifications, practices, measurements or service which shall be furnished, imposed, observed and followed thereafter by transmitters, distributors or storers of gas.

2. This Act comes into force on the day it receives Royal Assent. Commencement

3. This Act may be cited as *The Ontario Energy Board Amendment Act, 1975*. Short title

BILL 20

An Act to amend
The Ontario Energy Board Act

1st Reading

March 25th, 1975

2nd Reading

3rd Reading

MR. YOUNG

(*Private Member's Bill*)

1975

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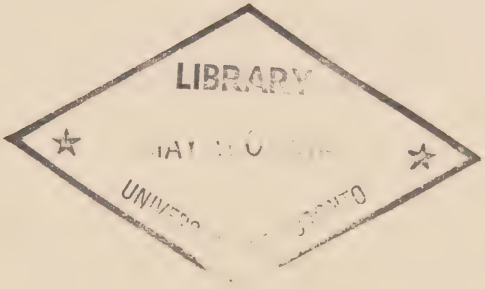
BILL 21 **Private Member's Bill**

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to amend The Retail Sales Tax Act

MR. EDIGHOFFER



TORONTO
PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

Explanatory Note

The purpose of the Bill is to reinstitute section 11 of the Act which was repealed in 1972.

BILL 21 **1975**

An Act to amend The Retail Sales Tax Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. *The Retail Sales Tax Act*, being chapter 415 of the Revised Statutes of Ontario, 1970, is amended by adding thereto the following section: s. 11, enacted

11.—(1) The Minister may enter into such arrangement with each vendor as he considers expedient for the payment of such remuneration for his services in collecting and remitting the tax as the Minister considers proper, and the vendor may deduct such remuneration from the amount otherwise to be remitted to the Treasurer of Ontario in accordance with section 10. Compensation to vendors

(2) No person accepting remuneration under subsection 1 shall thus be made ineligible as a member of the Assembly. Idem

2. This Act comes into force on the day it receives Royal Assent. Commencement

3. This Act may be cited as *The Retail Sales Tax Amendment Act, 1975*. Short title

BILL 21

An Act to amend
The Retail Sales Tax Act

1st Reading

March 25th, 1975

2nd Reading

3rd Reading

MR. EDIGHOFFER

(*Private Member's Bill*)

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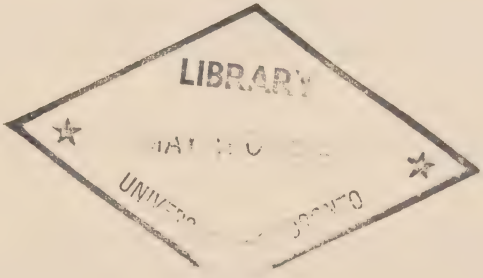
BILL 22 **Government Bill**

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

The Representation Act, 1975

THE HON. R. WELCH
Minister of Culture and Recreation



TORONTO
PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

BILL 22 **1975**

The Representation Act, 1975

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

Boundaries

1. The boundaries of every territorial district, county, city, town, village, township, improvement district, borough, district municipality, regional municipality and ward in any municipality shall for the purposes of this Act be deemed to be the boundaries of such territorial district, county, city, town, village, township, improvement district, borough, district municipality, regional municipality and ward as defined by statute, by-law, proclamation or other lawful authority on the 10th day of March, 1975.

Number of members

2. The Legislative Assembly of Ontario shall consist of one hundred and twenty-five members.

Division of Ontario into electoral districts

3.—(1) Ontario shall, for the purpose of representation in the Assembly, be divided into the electoral districts as set out in the Schedule.

One member per electoral district

(2) One member shall be returned to the Assembly for each electoral district.

Changes in municipal or ward boundaries

4. The boundaries of the electoral districts as set out in the Schedule shall not be affected by alterations in municipal or ward boundaries made after the 10th day of March, 1975.

Municipalities on boundary lines

5. Where a county, city, town, village, township, improvement district, borough, district municipality or regional municipality becomes incorporated and is not expressly included in an electoral district set out in the Schedule but is situated in part in two or more of such electoral districts, the electors entitled to vote in such municipality are entitled to vote in the electoral district in which they would have been entitled to vote if the county, city, town,

village, township, improvement district, borough, district municipality or regional municipality had not become incorporated.

Augmentation or gores of townships

6. Except as otherwise expressly set out in the Schedule, every augmentation or gore of a township shall for the purposes of this Act be considered as forming part of the electoral district in which the township is situated.

Municipalities included in electoral district in which situate

7. Every county, city, town, village, township, improvement district, borough, district municipality and regional municipality heretofore or hereafter incorporated, situate wholly within an electoral district as set out in the Schedule and not expressly included in any other electoral district in the Schedule, shall form part of the electoral district in which it is situate.

Special Act overruled

8. Every county, city, town, village, township, improvement district, borough, district municipality or regional municipality that by the provisions of any special Act passed before this Act comes into force forms or forms part of an electoral district shall, notwithstanding such provisions, form or form part of the electoral district or districts in which it is included in the Schedule.

R.S.O. 1970, c. 413, repealed

9. *The Representation Act* is repealed.

Commencement

10. This Act comes into force and has effect on the day after the day upon which the present Legislature is dissolved or ended by the effluxion of time.

Short title

11. This Act may be cited as *The Representation Act, 1975*.

SCHEDULE

In the following descriptions reference to "avenue", "boulevard", "canal", "channel", "court", "crescent", "drive", "highway", "railway line", "river", "road", "street", or "terrace", signifies the centre line of the features so named unless otherwise described.

Where county, territorial district or township areas are named for inclusion in an electoral district, it is intended that the whole of any city, separated town, town, village, township, improvement district and Indian reserve situated within such areas be included unless otherwise provided.

Where "townships" named and described for inclusion in an electoral district lie within a territorial district, it is intended that such townships refer to "geographic townships" as named and described in *The Territorial Division Act* in the Revised Statutes of Ontario, 1970, unless otherwise described.

ELECTORAL DISTRICTS

THE ELECTORAL DISTRICT OF ALGOMA—consists of that portion of the Territorial District of Algoma lying within the following limits: Commencing at the intersection of the easterly boundary of the Township of Striker and the waters of the North Channel of Lake Huron; thence northerly along the easterly boundaries of the townships of Striker and Mack to the northeast angle of the Township of Mack; thence westerly along the northerly boundary of the Township of Mack to the southeast angle of Township 161; thence northerly along the easterly boundaries of townships 161, 162 and 163 to the northeast angle of Township 163; thence easterly along the southerly boundaries of townships 1A, U, Q, M, I, E and A to the easterly boundary of the Territorial District of Algoma; thence northerly, westerly and southerly along the boundary of the Territorial District of Algoma to the International Bound-

ary between Canada and the United States of America; thence southeasterly along the said International Boundary to the westerly prolongation of the southerly boundary of the Township of Prince; thence easterly along the said prolongation and the southerly boundary of the Township of Prince to the southeast angle of the said township; thence northerly along the easterly boundary of the Township of Prince to the northeast angle thereof; thence easterly along the southerly boundaries of the townships of Pennefather and Aweres to the westerly boundary of the Township of Duncan; thence southerly along the westerly boundary of the Township of Duncan, the easterly limit of the City of Sault Ste. Marie and the southerly prolongation of the said limit to the International Boundary between Canada and the United States of America; thence easterly and southeasterly along the said International Boundary to its intersection with the boundary between the Territorial Districts of Algoma and Manitoulin; thence easterly along the last-mentioned boundary to a point due south of the point of commencement; thence due north to the point of commencement; the towns of Blind River, Bruce Mines and Thessalon, and the villages of Hilton Beach and Iron Bridge, and the Improvement District of White River, but excluding the townships of Ebbs and Templeton.

THE ELECTORAL DISTRICT OF ALGOMA-MANITOULIN—consists of the Territorial District of Manitoulin and those portions of the Territorial Districts of Algoma and Sudbury lying within the following limits: Commencing at the intersection of the southerly boundary of the Territorial District of Sudbury and the easterly boundary of the Township of Curtin; thence northerly along the easterly boundaries of the townships of Curtin and Foster to the northeast angle of the Township of Foster; thence westerly along the northerly boundaries of the townships of Foster, Merritt, Hallam and May to the northwest angle of the Township of May; thence northerly along the easterly boundaries of the Township of Tennyson and townships 123, 124 and 125 to the northeast angle of Township 125; thence westerly along the northerly boundaries of townships 125, 132, 139, 145, 151 and 157 to the northwest angle of Township 157; thence southerly along the westerly boundary of the Township 157 to the northwest angle of the Township of Elliot Lake; thence southerly along the westerly boundary of the Township of Elliot Lake to the northeast angle of the Township of Striker; thence southerly along the easterly boundary of the Township of Striker to its intersection with the waters of the North Channel of Lake Huron; thence due south to a point in the southerly boundary of the Territorial District of Algoma; thence easterly along the southerly boundaries of the Territorial Districts of Algoma and Sudbury to the point of commencement; the towns of Espanola, Gore Bay, Little Current, Massey and Webbwood, and the Improvement District of the North Shore.

THE ELECTORAL DISTRICT OF BRAMPTON—consists of the City of Brampton.

THE ELECTORAL DISTRICT OF BRANTFORD—consists of the City of Brantford.

THE ELECTORAL DISTRICT OF BRANT-OXFORD-NORFOLK—consists of the townships of Blandford-Blenheim, Brantford, Burford, Oakland, Onondaga, South Dumfries and Tuscarora, that portion of the Township of Delhi contained in Wards 1 and 2, that portion of the Township of Norfolk contained in the former Township of Middleton and annexed to the Township of Norfolk on April 1, 1974, that portion of the City of Nanticoke contained in Ward 3, and the Town of Paris.

THE ELECTORAL DISTRICT OF BROCK—consists of that portion of the City of St. Catharines lying west and south of a line described as follows: Commencing at the intersection of the shore of Lake Ontario and Twelve Mile Creek; thence southerly and easterly along Twelve Mile Creek to its intersection with the Old Welland Canal; thence northerly and easterly along the Old Welland Canal to Eastchester Avenue; thence easterly along Eastchester Avenue to the Queen Elizabeth Way; thence easterly along the Queen Elizabeth Way to the easterly limit of the City of St. Catharines; and the Town of Niagara-on-the-Lake.

THE ELECTORAL DISTRICT OF BURLINGTON SOUTH—consists of that portion of the City of Burlington lying west and south of a line described as follows: Commencing at the intersection of the limit between the City of Burlington and the Town of Oakville with the shore of Lake Ontario; thence northerly along the said limit to Queen Elizabeth Way; thence westerly along Queen Elizabeth Way to Guelph Line; thence northerly along Guelph Line to Upper Middle Road; thence westerly along Upper Middle Road to Brant Street; thence southerly along Brant Street to Highway No. 403; thence westerly along Highway No. 403 to Kerns Road; thence northerly and westerly along Kerns Road to the northwesterly limit of the City of Burlington.

THE ELECTORAL DISTRICT OF CAMBRIDGE—consists of the Township of North Dumfries and the City of Cambridge.

THE ELECTORAL DISTRICT OF CARLETON—consists of the townships of March and Nepean.

THE ELECTORAL DISTRICT OF CARLETON EAST—consists of the Township of Gloucester, the Village of Rockcliffe Park and those portions of the City of Ottawa lying northerly, easterly and southerly of a line described as follows: Commencing at the intersection of the Interprovincial Boundary between the Provinces of Ontario and Quebec and the westerly prolongation of Rideau Gate; thence easterly along the said prolongation of Rideau Gate to the N.C.C. Drive; thence northeasterly along the N.C.C. Drive to Princess Avenue; thence easterly along Princess Avenue to the westerly limit of the Village of Rockcliffe Park; thence northerly, easterly and southerly along the limits of the Village of Rockcliffe Park to the northerly limit of the City of Vanier; thence easterly and southerly along the limits of the City of Vanier to Montreal Road; thence easterly along Montreal Road to Eastern Parkway; thence southerly along Eastern Parkway to the southerly limit of the City of Ottawa; thence westerly and southerly along the limits of the City of Ottawa to the Queensway; thence westerly along the Queensway to St. Laurent Boulevard; thence southerly along St. Laurent Boulevard to Walkley Road; thence westerly along Walkley Road to the Rideau River; thence westerly and southwesterly along the Rideau River to the westerly limit of the City of Ottawa.

THE ELECTORAL DISTRICT OF CARLETON-GRENVILLE—consists of the County of Grenville, the townships of Goulbourn, Osgoode and Rideau, the Separated Town of Prescott, the Town of Kemptville, and the villages of Cardinal and Merrickville.

THE ELECTORAL DISTRICT OF CHATHAM-KENT—consists of the townships of Chatham and Dover, the City of Chatham, and the Town of Wallaceburg.

THE ELECTORAL DISTRICT OF COCHRANE NORTH—consists of the townships of Ebbs and Templeton and that portion of the Territorial District of Cochrane lying north and west of a line described as follows: Commencing at the intersection of the Interprovincial Boundary between the Provinces of Ontario and Quebec and the southerly shore of Lake Abitibi; thence northwesterly along the water's edge of Lake Abitibi to the southerly boundary of the Township of Galna; thence westerly along the southerly boundaries of the townships of Galna, Moody, Wesley, Edwards, Aurora and Newmarket to the southwest angle of the township of Newmarket; thence southerly along the easterly boundary of the Township of Little to the southeast angle of the Township of Little; thence westerly along the southerly boundaries of the townships of Little, Tully, Prosser, Carnegie, Reid and Thorburn to the southwest angle of the Township of Thorburn; thence southerly along the easterly boundaries of the townships of Byers, Cote, Massey, Whitesides and Keefer to the southerly boundary of the Territorial District of Cochrane; and that portion of the Territorial District of Kenora (Patricia Portion) lying east of a line described as follows: Commencing at the northwest angle of the Territorial District of Cochrane; thence northerly along the northerly prolongation of the westerly boundary of the Territorial District of Cochrane to the northerly limit of the Province of Ontario; and the towns of Cochrane, Hearst, Kapuskasing and Smooth Rock Falls.

THE ELECTORAL DISTRICT OF COCHRANE SOUTH—consists of that portion of the Territorial District of Cochrane lying south of a line described as follows: Commencing at the intersection of the Interprovincial Boundary between the provinces of Ontario and Quebec and the southerly shore of Lake Abitibi; thence northwesterly along the water's edge of Lake Abitibi to the northerly boundary of the Township of Kerrs; thence westerly along the northerly boundaries of the townships of Kerrs and Knox to the northeast angle of the Town of Iroquois Falls; thence westerly along the northerly limit of the Town of Iroquois Falls to the northeast angle of the Township of Teefy; thence westerly along the northerly limit of the Township of Teefy to the northerly limit of the Town of Iroquois Falls; thence westerly and southerly along the limits of the Town of Iroquois Falls to the northerly limit of the City of Timmins; thence westerly along the northerly limit of the City of Timmins to the northwest angle of the City of Timmins; the City of Timmins, and the Town of Iroquois Falls.

THE ELECTORAL DISTRICT OF CORNWALL—consists of the Township of Cornwall and the City of Cornwall.

THE ELECTORAL DISTRICT OF DUFFERIN-SIMCOE—consists of the townships of Adjala, Essa, Mono, Mulmer, Nottawasaga, Sunnidale, Tecumseth, and Tosoronto, the towns of Alliston, Collingwood, Orangeville, Stayner and Wasaga Beach, and the villages of Beeton, Creemore and Tottenham.

THE ELECTORAL DISTRICT OF DURHAM EAST—consists of that portion of the City of Oshawa lying north of a line described as follows: Commencing at the intersection of Rossland Road West and the westerly limit of the City of Oshawa; thence easterly along Rossland Road West to Simcoe Street North; thence southerly along Simcoe Street North to King Street East; thence easterly along King Street East to the easterly limit of the City of Oshawa; and the Town of Newcastle.

THE ELECTORAL DISTRICT OF DURHAM NORTH—consists of the townships of Brock, East Gwillimbury, Georgina, Scugog and Uxbridge, and that part of the Town of Pickering lying north of the road allowance between concessions 4 and 5 in the geographic township of Pickering.

THE ELECTORAL DISTRICT OF DURHAM WEST—consists of the towns of Ajax and Whitby and that part of the Town of Pickering lying south of the road allowance between concessions 4 and 5 in the geographic township of Pickering.

THE ELECTORAL DISTRICT OF ELGIN—consists of the townships of Bayham, Malahide, South Dorchester, Southwold and Yarmouth; the City of St. Thomas; the Town of Aylmer, and the villages of Belmont, Port Burwell, Port Stanley, Springfield and Vienna.

THE ELECTORAL DISTRICT OF ERIE—consists of the Township of Wainfleet, the City of Port Colborne and the Town of Fort Erie.

THE ELECTORAL DISTRICT OF ESSEX NORTH—consists of the townships of Gosfield North, Maidstone, Rochester, Sandwich South, Sandwich West, Tilbury North and Tilbury West, the towns of Belle River, Essex and Tecumseh, and the Village of St. Clair Beach.

THE ELECTORAL DISTRICT OF ESSEX SOUTH—consists of the townships of Anderdon, Colchester North, Colchester South, Gosfield South, Malden, Mersea, and Pelee including any islands forming part thereof, and the towns of Amherstburg, Harrow, Kingsville and Leamington, and the Village of Wheatley.

THE ELECTORAL DISTRICT OF FORT WILLIAM—consists of that portion of the Territorial District of Thunder Bay lying south and east of a line described as follows: Commencing at the intersection of the centre line of Thunder Bay of Lake Superior and the easterly prolongation of the north limit of Fort William ward in the City of Thunder Bay; thence westerly along the said prolongation, the north limits of Fort William and Neebing wards in the City of Thunder Bay and the northerly boundaries of the Township of Paipoonge to

the easterly boundary of the Township of O'Connor; thence northerly along the said easterly boundary to the northerly boundary of the Township of O'Connor; thence westerly along the northerly boundaries of the townships of O'Connor and Marks to the northwest angle of the Township of Marks; thence southerly along the westerly boundaries of the townships of Marks, Lybster, Fraleigh and Devon to the intersection of the westerly boundary of the Township of Devon and the International Boundary between Canada and the United States of America, and Fort William and Neebing wards in the City of Thunder Bay.

The Electoral District of Frontenac-Addington—consists of the townships of Abinger, Anglesea, Ashby, Barrie, Bedford, Camden (East), Clarendon, Denbigh, Effingham, Hinchinbrooke, Kaladar, Kennebec, Kingston, Loughborough, Miller, North Canonto, Olden, Oso, Palmerston, Pittsburgh, Portland, Sheffield, South Canonto and Storrington, and the Village of Newburgh.

The Electoral District of Grey—consists of the townships of Artemesia, Bentinck, Collingwood, Egremont, Euphrasia, Glenelg, Holland, Melancthon, Minto, Normanby, Osprey, Proton, St. Vincent, Sullivan and Sydenham, the towns of Durham, Hanover, Harriston, Meaford, Palmerston and Thornbury, and the villages of Chatsworth, Clifford, Dundalk, Flesherton, Markdale and Neustadt.

The Electoral District of Grey-Bruce—consists of the townships of Albemarle, Amabel, Arran, Brant, Derby, Eastnor, Elderslie, Keppel, Lindsay, St. Edmunds, Sarawak, and the adjacent islands in Lake Huron and Georgian Bay of Lake Huron, the City of Owen Sound, the towns of Chesley, Walkerton and Wiarton, and the village of Hepworth, Lion's Head, Paisley, Shallow Lake and Tara.

The Electoral District of Haldimand-Norfolk—consists of that portion of the Township of Delhi contained in Ward 3, the Township of Norfolk, but excluding that portion contained in the former Township of Middleton and annexed to the Township of Norfolk on April 1, 1974, that portion of the City of Nanticoke contained in Wards 1 and 2, and the towns of Dunnville, Haldimand and Simcoe.

The Electoral District of Halton-Burlington—consists of the towns of Halton Hills and Milton and that portion of the City of Burlington lying north and east of a line described as follows: Commencing at the intersection fo the easterly limit of the City of Burlington and Queen Elizabeth Way; thence westerly along Queen Elizabeth Way to Guelph Line; thence northerly along Guelph Line to Upper Middle Road; thence westerly along Upper Middle Road to Brant Street; thence southerly along Brant Street to Highway No. 403; thence westerly along Highway No. 403 to Kerns Road; thence northerly, westerly and northerly along Kerns Road to the northwesterly limit of the City of Burlington.

The Electoral District of Hamilton Centre—consists of that portion of the City of Hamilton lying north of a line described as follows: Commencing at the intersection of the Hamilton Harbour Headline and the northerly prolongation of Wellington Street; thence southerly along the said prolongation to and along Wellington Street to Main Street; thence westerly along Main Street to James Street; thence southerly along James Street to James Street Mountain Road; thence southwesterly along James Street Mountain Road to the brow of Hamilton Mountain; thence easterly along the brow of Hamilton Mountain to the southerly prolongation of Ottawa Street; thence northerly along the said prolongation and Ottawa Street to the first Canadian National Railway line north of Dalhousie Avenue; thence easterly along said railway line to Parkdale Avenue; thence northerly along Parkdale Avenue and the northerly prolongation of Parkdale Avenue to a point lying due west of the intersection of Woodward Avenue and Queen Elizabeth Way; thence due east through the said intersection and continuing due east to the northeasterly limit of the City of Hamilton.

The Electoral District of Hamilton East—consists of that portion of the City of Hamilton lying within the following limits: Commencing at a point in the northeasterly limit of the City of Hamilton said point lying due east of the

intersection of Woodward Avenue and Queen Elizabeth Way; thence due west through the said intersection and continuing due west to the northerly prolongation of Parkdale Avenue; thence southerly along the said prolongation and Parkdale Avenue to the first Canadian National Railway line north of Mahony Street; thence westerly along the said railway line to Ottawa Street; thence southerly along Ottawa Street and the southerly prolongation of Ottawa Street to the brow of Hamilton Mountain; thence easterly, southerly and northeasterly along the brow of Hamilton Mountain to the southeasterly limit of the City of Hamilton; thence easterly, northerly and westerly along the City limit to the point of commencement.

The Electoral District of Hamilton Mountain—consists of that portion of the City of Hamilton lying within the following limits: Commencing at the intersection of the westerly limit of the City of Hamilton and Mohawk Road; thence easterly along Mohawk Road and the easterly prolongation of Mohawk Road to the brow of Hamilton Mountain; thence northwesterly and westerly along the brow of Hamilton Mountain to the westerly limit of the City of Hamilton; thence southeasterly along the said limit to the point of commencement.

The Electoral District of Hamilton West—consists of that portion of the City of Hamilton lying within the following limits: Commencing at the intersection of James Street and Main Street; thence easterly along Main Street to Wellington Street; thence northerly along Wellington Street and the northerly prolongation of Wellington Street to the northerly limit of the City of Hamilton; thence westerly, southwesterly, southerly and easterly along the limits of the City of Hamilton to the brow of Hamilton Mountain; thence easterly along the brow of Hamilton Mountain to James Street Mountain Road; thence northeasterly along James Street Mountain Road and northerly along James Street to the point of commencement.

The Electoral District of Hastings-Peterborough—consists of the townships of Anstruther, Asphodel, Belmont, Burleigh, Cavendish, Chandos, Dummer, Galway, Harvey and Methuen, that portion of the County of Hastings lying east and north of a line described as follows: Commencing at the intersection of the centre line of the Bay of Quinte, Lake Ontario and the southerly prolongation of the easterly limits of the City of Belleville; thence northerly along the said prolongation to the water's edge of the Bay of Quinte; thence northerly and westerly along the limits of the City of Belleville to the westerly boundary of the Township of Thurlow; thence northerly along the westerly boundary of the Township of Thurlow to the northwest angle thereof; thence westerly along the southerly boundary of the Township of Rawdon to the westerly boundary of the County of Hastings; the Town of Deseronto and the villages of Bancroft, Deloro, Havelock, Madoc, Marmora, Norwood, Stirling and Tweed.

The Electoral District of Huron-Bruce—consists of the townships of Ashfield, Bruce, Carrick, Colborne, Culross, East Wawanosh, Greenock, Grey, Howick, Hullett, Huron, Kincardine, Kinloss, McKillop, Morris, Saugeen, Turnberry and West Wawanosh, the towns of Kincardine, Port Elgin, Southampton, and Wingham, and the villages of Blyth, Brussels, Lucknow, Mildmay, Ripley, Teeswater and Tiverton.

The Electoral District of Huron-Middlesex—consists of the townships of Adelaide, Biddulph, East Williams, Goderich, Hay, McGillivray, Stanley, Stephen, Tuckersmith, Usborne and West Williams, the towns of Clinton, Exeter, Goderich, Parkhill and Seaforth, and the villages of Ailsa Craig, Bayfield, Hensall, Lucan and Zurich.

The Electoral District of Kenora—consists of that portion of the Territorial District of Kenora and the Patricia Portion lying north and west of a line described as follows: Commencing at the intersection of the International Boundary between Canada and the United States of America with the 4th Base Line; thence easterly along the 4th Base Line to the 6th Meridian Line; thence north along the 6th Meridian Line to the southwest angle of the Township of Wainwright; thence easterly along the southerly boundary of the said

Township to the northwest angle of the Town of Dryden; thence southerly and easterly along the limits of the town of Dryden to the westerly limit of the Improvement District of Barclay; thence northerly, easterly and southerly along the limits of the Improvement District of Barclay to the southerly boundary of the Township of Brownridge; thence easterly along the southerly boundaries of the townships of Brownridge, Laval and McAree to the southeast angle of the Township of McAree; thence easterly along a line surveyed by Ontario Land Surveyors Phillips and Benner in 1932 to the easterly boundary of the Territorial District of Kenora; thence northerly along the easterly boundary of the Territorial District of Kenora to the centre line of Lake St. Joseph; thence northerly along the 3rd Meridian Line and its prolongation northerly to the Interprovincial Boundary between the Provinces of Ontario and Manitoba; the towns of Dryden, Keewatin, Kenora and Sioux Lookout, and the improvement districts of Balmertown and Sioux Narrows.

THE ELECTORAL DISTRICT OF KENT-ELGIN—consists of the townships of Aldborough, Camden, Dunwich, Harwich, Howard, Orford, Raleigh, Romney, Tilbury East and Zone, the towns of Blenheim, Bothwell, Dresden, Ridgetown and Tilbury and the villages of Dutton, Erieau, Erie Beach, Highgate, Rodney, Thamesville and West Lorne, but excluding the Village of Wheatley.

THE ELECTORAL DISTRICT OF KINGSTON AND THE ISLANDS—consists of the townships of Amherst Island, Howe Island and Wolfe Island, the City of Kingston, and the islands in the St. Lawrence River within the County of Frontenac.

THE ELECTORAL DISTRICT OF KITCHENER—consists of that portion of the City of Kitchener lying north and west of the Conestogo Parkway.

THE ELECTORAL DISTRICT OF KITCHENER-WILMOT—consists of the Township of Wilmot and the City of Kitchener, but excluding that portion of the City of Kitchener lying north and west of the Conestogo Parkway.

THE ELECTORAL DISTRICT OF LAKE NIPIGON—consists of that portion of the Territorial District of Thunder Bay lying west, north and east of a line described as follows: Commencing at a point on the International Boundary between Canada and the United States of America due south of the centre line of Black Bay of Lake Superior; thence north astronomically to the centre line of the said Bay; thence northeasterly along the centre line of Black Bay to the intersection of the said centre line and the easterly prolongation of the northerly boundary of the Township of McTavish; thence westerly along the said prolongation and the northerly boundary of the Township of McTavish to the northwest angle of the said township; thence southerly along the westerly boundary of the Township of McTavish to the northeast angle of the Township of MacGregor; thence westerly along the northerly boundary of the said township to the northwest angle thereof; thence northerly and westerly along the easterly and northerly boundaries of the Township of Gorham to the southeast angle of the Township of Jacques; thence northerly along the easterly boundary of the Township of Jacques to the northeast angle of the said township; thence westerly along the northerly boundaries of the townships of Jacques and Fowler to the northwest angle of the Township of Fowler; thence southerly along the westerly boundary of the Township of Fowler to the northerly boundary of the Township of Forbes; thence westerly along the northerly boundaries of the townships of Forbes and Goldie to the northwest angle of the Township of Goldie; thence southerly along the westerly boundary of the townships of Goldie, Horne, Adrian, Marks Lybster, Fraleigh and Devon to the International Boundary between Canada and the United States of America; and that portion of the Territorial District of Kenora (Patricia Portion) lying between the northerly prolongations of the easterly and westerly boundaries of the Territorial District of Thunder Bay to the northern limits of the Province of Ontario, the Town of Geraldton, and the improvement districts of Beardmore, Manitouwadge, Nakina and Red Rock, and the community of English River.

THE ELECTORAL DISTRICT OF LAMBTON—consists of that portion of the County of Lambton lying east and south of a line described as follows: Commencing at the intersection of the westerly boundary of the County of Lambton and the northerly boundary of the Township of Moore; thence easterly along the northerly boundary of the Township of Moore to the northeast angle thereof; thence northerly along the westerly boundaries of the townships of Enniskillen and Plympton to the water's edge of Lake Huron; the towns of Forest and Petrolia, and the villages of Alvinston, Arkona, Courtright, Grand Bend, Oil Springs, Thedford, Watford and Wyoming.

THE ELECTORAL DISTRICT OF LANARK—consists of the County of Lanark including the Separated Town of Smiths Falls, the towns of Almonte, Carleton Place and Perth, and the Village of Lanark.

THE ELECTORAL DISTRICT OF LEEDS—consists of the County of Leeds, the City of Brockville, the Separated Town of Gananoque and the villages of Athens, Newboro' and Westport.

THE ELECTORAL DISTRICT OF LINCOLN—consists of the Township of West Lincoln and the towns of Grimsby, Lincoln and Pelham.

THE ELECTORAL DISTRICT OF LONDON CENTRE—consists of that portion of the City of London lying within the following limits: Commencing at the intersection of the Thames River and Highbury Avenue; thence northerly along Highbury Avenue to Huron Street; thence westerly along Huron Street to Adelaide Street; thence northerly along Adelaide Street to the North Thames River; thence westerly and southerly along the North Thames River to Wharncliffe Road North; thence southerly along Wharncliffe Road North to Essex Street; thence westerly along Essex Street to Platts Lane; thence southerly along Platts Lane to Oxford Street; thence easterly along Oxford Street to Woodward Avenue; thence southerly along Woodward Avenue to Mount Pleasant Avenue; thence westerly along Mount Pleasant Avenue to the Canadian National Railway line; thence southeasterly along the said railway line to the Thames River; thence southeasterly along the Thames River to the point of commencement.

THE ELECTORAL DISTRICT OF LONDON NORTH—consists of that portion of the City of London lying within the following limits: Commencing at the intersection of Highbury Avenue and the most southerly crossing of The Canadian National Railway line; thence northerly along Highbury Avenue to Huron Street; thence westerly along Huron Street to Adelaide Street; thence northerly along Adelaide Street to the North Thames River; thence westerly and southerly along the North Thames River to Wharncliffe Road North; thence southerly along Wharncliffe Road North to Essex Street; thence westerly along Essex Street to Platts Lane; thence southerly along Platts Lane to Oxford Street; thence easterly along Oxford Street to Woodward Avenue; thence southerly along Woodward Avenue to Mount Pleasant Avenue; thence westerly along Mount Pleasant Avenue to the Canadian National Railway line; thence southeasterly along said railway line to the Thames River; thence westerly along the Thames River to the westerly limit of the City of London; thence northerly, easterly and southerly along the limits of the City of London to the intersection of the easterly limit of the City of London and the Canadian National Railway line; thence westerly along said railway line to the point of commencement.

THE ELECTORAL DISTRICT OF LONDON SOUTH—consists of that portion of the City of London lying within the following limits: Commencing at the intersection of the Thames River and the westerly limit of the City of London; thence southerly, easterly and northerly along the limits of the City of London to the Canadian National Railway line; thence westerly along said railway line to Highbury Avenue; thence southerly along Highbury Avenue to the Thames River; thence westerly along the Thames River to the point of commencement.

THE ELECTORAL DISTRICT OF MIDDLESEX—consists of the townships of Caradoc, Delaware, Ekfrid, Lobo, London, Metcalfe, Mosa, North Dorchester, Westminster and West Nissouri, the Town of Strathroy and the villages of Glencoe, Newbury and Wardsville.

THE ELECTORAL DISTRICT OF MISSISSAUGA EAST—consists of that portion of the City of Mississauga lying within the following limits: Commencing at the intersection of the easterly limit of the City of Mississauga and Queen Elizabeth Way; thence westerly along Queen Elizabeth Way to Hurontario Street; thence northerly along Hurontario Street to Eglinton Avenue East; thence easterly along Eglinton Avenue East to the easterly limit of the City of Mississauga; thence southerly along the easterly limit of the City of Mississauga to the point of commencement.

THE ELECTORAL DISTRICT OF MISSISSAUGA NORTH—consists of that portion of the City of Mississauga lying north and west of a line described as follows: Commencing at the intersection of the westerly limit of the City of Mississauga and Queen Elizabeth Way; thence easterly along Queen Elizabeth Way to Hurontario Street; thence northerly along Hurontario Street to Eglinton Avenue East; thence easterly along Eglinton Avenue East to the easterly limit of the City of Mississauga.

THE ELECTORAL DISTRICT OF MISSISSAUGA SOUTH—consists of that portion of the City of Mississauga lying south of Queen Elizabeth Way.

THE ELECTORAL DISTRICT OF MUSKOKA—consists of the District Municipality of Muskoka.

THE ELECTORAL DISTRICT OF NIAGARA FALLS—consists of the City of Niagara Falls.

THE ELECTORAL DISTRICT OF NICKEL BELT—consists of that portion of the Territorial District of Sudbury lying north and west of a line described as follows: Commencing at the intersection of the easterly boundary of the Territorial District of Sudbury and the southerly boundary of the Township of Janes; thence westerly along the southerly boundaries of the townships of Janes, Davis and Scadding to the easterly limit of the Town of Nickel Centre; thence northerly and westerly along the limits of the Town of Nickel Centre to the easterly limit of the Town of Capreol; thence northerly, westerly and southerly along the limits of the Town of Capreol to the northerly limit of the Town of Valley East; thence westerly, southerly and easterly along the limits of the Town of Valley East to the northwest angle of the City of Sudbury; thence southerly along the limits of the City of Sudbury to the intersection of the southerly limit of the City of Sudbury and the easterly limit of the Township of Eden; thence southerly along the easterly boundaries of the townships of Eden, Bevin and Sale to the southerly boundary of the Territorial District of Sudbury; thence westerly along the said boundary to the southwest angle of the Township of Roosevelt; thence northerly along the westerly boundaries of the townships of Roosevelt and Truman to the northwest angle of the Township of Truman; thence westerly along the southerly boundaries of the townships of Nairn, Baldwin, Shakespeare and Gough to the westerly boundary of the Territorial District of Sudbury; and the towns of Onaping Falls, Rayside-Balfour and Walden.

THE ELECTORAL DISTRICT OF NIPISSING—consists of that portion of the Territorial District of Nipissing lying north of a line described as follows: Commencing at the intersection of the Interprovincial Boundary between the Provinces of Ontario and Quebec and the northerly boundary of the Township of Mattawan; thence westerly and southerly along the northerly and westerly boundaries of the said township to the southwest angle thereof; thence westerly along the southerly boundaries of the townships of Olrig and Phelps to the southwest angle of the Township of Phelps; thence westerly, southerly and westerly along the southeasterly boundary of the City of North Bay to the southerly boundary of the Territorial District of Nipissing, the City of North Bay, and the towns of Cache Bay and Sturgeon Falls, but excluding that portion of the Territorial District of Nipissing lying north of a line described as follows: Commencing at the northwest angle of the Township of Pardo; thence easterly along the northerly boundaries of the townships of Pardo, Hobbs, McCallum, Sisk, Kenny, Gooderham, LaSalle, McAuslan and Wyse to the boundary between the Provinces of Ontario and Quebec.

THE ELECTORAL DISTRICT OF NORTHUMBERLAND—consists of the County of Northumberland excluding that portion lying within the Town of Trenton, but including the towns of Campbellford, Cobourg and Port Hope and the villages of Brighton, Colborne and Hastings.

THE ELECTORAL DISTRICT OF OAKVILLE—consists of the Town of Oakville.

THE ELECTORAL DISTRICT OF OSHAWA—consists of that portion of the City of Oshawa lying south of a line described as follows: Commencing at the intersection of Rossland Road West and the westerly limit of the City of Oshawa; thence easterly along Rossland Road West to Simcoe Street North; thence southerly along Simcoe Street North to King Street East; thence easterly along King Street East to the easterly limit of the City of Oshawa.

THE ELECTORAL DISTRICT OF OTTAWA CENTRE—consists of that portion of the City of Ottawa lying within the following limits: Commencing at the intersection of the Interprovincial Boundary between the Provinces of Ontario and Quebec with the northerly prolongation of the Rideau Canal; thence southeasterly along said prolongation to and along the Rideau Canal to the Queensway; thence westerly along the Queensway to Bronson Avenue; thence southerly along Bronson Avenue to Carling Avenue; thence westerly along Carling Avenue to the Canadian Pacific Railway line; thence southerly along said railway line to the Rideau Canal; thence southerly and westerly along the Rideau Canal and the Rideau River to the southerly limit of the City of Ottawa; thence westerly and northerly along said city limit to Merivale Road; thence northerly along Merivale Road to Island Park Drive; thence northerly along Island Park Drive to the Interprovincial Boundary between the Provinces of Ontario and Quebec; thence easterly along the said Interprovincial Boundary to the point of commencement.

THE ELECTORAL DISTRICT OF OTTAWA EAST—consists of the City of Vanier and that portion of the City of Ottawa lying within the following limits: Commencing at the intersection of the Interprovincial Boundary between the Provinces of Ontario and Quebec with the westerly prolongation of Rideau Gate; thence easterly along the said prolongation of Rideau Gate to the N.C.C. Drive; thence northeasterly along the N.C.C. Drive to Princess Avenue; thence easterly along Princess Avenue to the westerly limit of the Village of Rockcliffe Park; thence easterly and southerly along the limits of the Village of Rockcliffe Park to the northerly limit of the City of Vanier; thence westerly, southerly, easterly and northerly along the limits of the City of Vanier to Montreal Road; thence easterly along Montreal Road to Eastern Parkway; thence southerly along Eastern Parkway to the southerly limit of the City of Ottawa; thence westerly and southerly along the limits of the City of Ottawa to the Queensway; thence westerly along the Queensway to the Rideau Canal; thence northerly along the Rideau Canal and the northerly prolongation of the Rideau Canal to the Interprovincial Boundary between the Provinces of Ontario and Quebec; thence northeasterly along the said Interprovincial Boundary to the point of commencement.

THE ELECTORAL DISTRICT OF OTTAWA SOUTH—consists of that portion of the City of Ottawa lying within the following limits: Commencing at the intersection of St. Laurent Boulevard and the Queensway; thence southerly along St. Laurent Boulevard to Walkley Road; thence westerly along Walkley Road to the Rideau River; thence northerly along the Rideau River to the Rideau Canal; thence northerly along the Rideau Canal to the Canadian Pacific Railway line; thence northerly along said railway line to Carling Avenue; thence easterly along Carling Avenue to Bronson Avenue; thence northerly along Bronson Avenue to the Queensway; thence easterly along the Queensway to the point of commencement.

THE ELECTORAL DISTRICT OF OTTAWA WEST—consists of that portion of the City of Ottawa lying west of a line described as follows: Commencing at the intersection of the southerly limit of the City of Ottawa and Merivale Road; thence northerly along Merivale Road to Island Park Drive; thence northerly along Island Park Drive to the Interpvovincial Boundary between the Provinces of Ontario and Quebec.

THE ELECTORAL DISTRICT OF OXFORD—consists of the County of Oxford except for the Township of Blandford-Blenheim.

THE ELECTORAL DISTRICT OF PARRY SOUND—consists of the Territorial District of Parry Sound and that portion of the Territorial District of Nipissing lying west and south of a line described as follows: Commencing at the northwest angle of the Township of Airy; thence easterly along the southerly boundary of the Township of Sproule to the southeast angle of the Township of Sproule; thence northerly along the easterly boundaries of the townships of Sproule, Bower and Freswick to the northeast angle of the Township of Freswick; thence easterly along the southerly boundary of the Township of Lister to the southeast angle of the Township of Lister; thence northerly along the easterly boundaries of the townships of Lister, Boyd and Papineau to the Interprovincial Boundary between the Provinces of Ontario and Quebec; thence northwesterly along the said Interprovincial Boundary to the northeast angle of the Township of Mattawan; thence westerly and southerly along the northerly and westerly boundaries of the said Township to the southwest angle of the Township of Mattawan; thence westerly along the northerly boundaries of the townships of Calvin, Bonfield and East Ferris to the northwesterly angle of the Township of East Ferris; thence southerly and westerly along the westerly boundary of the said Township to its intersection with the westerly boundary of the Territorial District of Nipissing; the towns of Bonfield, Kearney, Mattawa, Parry Sound, Powassan and Trout Creek, and the villages of Burk's Falls, Magnetawan, Rosseau, South River and Sundridge.

THE ELECTORAL DISTRICT OF PERTH—consists of the County of Perth.

THE ELECTORAL DISTRICT OF PETERBOROUGH—consists of the townships of Cavan, Douro, Ennismore, North Monaghan, Otonabee, Smith and South Monaghan, the City of Peterborough, and the villages of Lakefield and Millbrook.

THE ELECTORAL DISTRICT OF PORT ARTHUR—consists of that portion of the Territorial District of Thunder Bay lying within the following limits: Commencing at the southwest angle of the Township of Adrian; thence easterly along the southerly boundaries of the townships of Adrian and Conmee to the southeast angle of the Township of Conmee; thence southerly along the westerly boundary of the Township of Oliver to the southwest angle of the said township; thence easterly along the southerly boundary of the Township of Oliver to, and along the southerly limit of Port Arthur ward in the City of Thunder Bay and the prolongation of the southerly limit of the said Port Arthur ward to its intersection with the centre line of Thunder Bay of Lake Superior; thence south astronomically to the International Boundary between Canada and the United States of America; thence northeasterly along the said International Boundary to a point due south of the centre line of Black Bay of Lake Superior; thence north astronomically to the centre line of the said Bay; thence northeasterly along the centre line of Black Bay to the easterly prolongation of the northerly boundary of the Township of McTavish; thence westerly along the said prolongation and the northerly boundary of the Township of McTavish to the northwest angle of the said township; thence southerly along the westerly boundary of the Township of McTavish to the northeast angle of the Township of MacGregor; thence westerly along the northerly boundary of the said township to the northwest angle thereof; thence northerly and westerly along the easterly and northerly boundaries of the Township of Gorham to the southeast angle of the Township of Jacques; thence northerly along the easterly boundary of the Township of Jacques to the northeast angle of the said township; thence westerly along the northerly boundaries of the townships of Jacques and Fowler to the northwest angle of the Township of Fowler; thence southerly along the westerly boundary of the Township of Fowler to the northerly boundary of the Township of Forbes; thence westerly along the northerly boundaries of the townships of Forbes and Goldie to the northwest angle of the Township of Goldie; thence southerly along the westerly boundaries of the townships of Goldie, Horne and Adrian to the point of commencement; and McIntyre and Port Arthur wards in the City of Thunder Bay.

THE ELECTORAL DISTRICT OF PRESCOTT AND RUSSELL—consists of the counties of Prescott and Russell and the Township of Cumberland.

THE ELECTORAL DISTRICT OF PRINCE EDWARD-LENNOX—consists of the County of Prince Edward, the townships of Adolphustown, Ernestown, North Fredericksburgh, Richmond and South Fredericksburgh, the town of Napanee and the village of Bath.

THE ELECTORAL DISTRICT OF QUINTE—consists of the Township of Sidney, the City of Belleville, the Separated Town of Trenton, and the Village of Frankford.

THE ELECTORAL DISTRICT OF RAINY RIVER—consists of the Territorial District of Rainy River and that portion of the Territorial District of Kenora lying south of a line described as follows: Commencing at the intersection of the International Boundary between Canada and the United States of America with the 4th Base Line; thence easterly along the 4th Base Line to the 6th Meridian Line; thence northerly along the 6th Meridian Line to the northwest angle of the Township of Van Horne; thence easterly along the northerly boundary of the said Township to the northwest angle of the Town of Dryden; thence southerly and easterly along the limits of the Town of Dryden to the westerly limit of the Improvement District of Barclay; thence northerly, easterly and southerly along the limits of the Improvement District of Barclay to the northerly boundary of the Township of Zealand; thence easterly along the northerly boundaries of the townships of Zealand, Hartman and MacFie to the northeast angle of the Township of MacFie; thence easterly along a line surveyed by Ontario Land Surveyors Phillips and Benner in 1932, to the easterly boundary of the Territorial District of Kenora; the towns of Fort Frances and Rainy River and the improvement districts of Barclay and Kingsford, but excluding the community of English River.

THE ELECTORAL DISTRICT OF RENFREW NORTH—consists of that portion of the County of Renfrew lying north of a line described as follows: Commencing at the intersection of the Interprovincial Boundary between the Provinces of Ontario and Quebec with the southerly boundary of the Township of Pembroke; thence westerly along the southerly boundary of the Township of Pembroke to the easterly boundary of the Township of Stafford; thence southerly, westerly and northerly following the boundaries of the Township of Stafford to the southeast angle of the Township of Alice; thence westerly along the southerly boundaries of the townships of Alice and Fraser to the southwest angle of the Township of Fraser; thence northerly along the westerly boundary of the Township of Fraser to the westerly boundary of the County of Renfrew; and that portion of the Territorial District of Nipissing lying east of a line described as follows: Commencing at the southwest angle of the Township of Sabine; thence northerly along the westerly boundaries of the townships of Sabine and Airy to the northwest angle of the Township of Airy; thence easterly along the northerly boundary of the Township of Airy to the southwest angle of the Township of Preston; thence northerly along the westerly boundaries of the townships of Preston, Dickson and Anglin to the northwest angle of the Township of Anglin; thence easterly along the northerly boundary of the Township of Anglin to the southwest angle of the Township of Deacon; thence northerly along the westerly boundaries of the Township of Deacon and the Improvement District of Cameron to the Interprovincial Boundary between the Provinces of Ontario and Quebec; the City of Pembroke, the Town of Deep River, the villages of Chalk River and Petawawa, and the Improvement District of Cameron.

THE ELECTORAL DISTRICT OF RENFREW SOUTH—consists of the Township of West Carlton and that portion of the County of Renfrew lying south of a line described as follows: Commencing at the intersection of the Interprovincial Boundary between the Provinces of Ontario and Quebec with the northerly boundary of the Township of Westmeath; thence westerly and southerly along the northerly and westerly boundaries of the Township of Westmeath to the northeast angle of the Township of Bromley; thence westerly along the northerly boundary of the Township of Bromley to the easterly boundary of the Township of Wilberforce; thence northerly along said easterly boundary to the northeast angle of the Township of Wilberforce; thence westerly along the northerly boundaries of the townships of Wilberforce and North Algona to the easterly boundary of the Township of Hagarty; thence northerly along the easterly boundaries of the townships of Hagarty and Richards to the

northerly boundary of the townships of Richards; the towns of Arnprior and Renfrew and the villages of Barry's Bay, Beachburg, Braeside, Cobden, Eganville and Killaloe Station.

The Electoral District of St. Catharines—consists of that portion of the City of St. Catharines lying east and north of a line described as follows: Commencing at the intersection of the shore of Lake Ontario and Twelve Mile Creek; thence southerly and easterly along Twelve Mile Creek to its intersection with the Old Welland Canal; thence northerly and easterly along the Old Welland Canal to Eastchester Avenue; thence easterly along Eastchester Avenue to Queen Elizabeth Way; thence easterly along Queen Elizabeth Way to the easterly limit of the City of St. Catharines.

The Electoral District of Sarnia—consists of the Township of Sarnia, the City of Sarnia and the Village of Point Edward.

The Electoral District of Sault Ste. Marie—consists of the City of Sault Ste. Marie.

The Electoral District of Simcoe Centre—consists of the townships of Flos, Innisfil, Tiny, Vespra and West Gwillimbury, the City of Barrie, the towns of Bradford and Penetanguishene and the villages of Cookstown and Elmvale.

The Electoral District of Simcoe East—consists of the townships of Mara, Matchedash, Medonte, Orillia, Oro, Rama and Tay, the City of Orillia, the Town of Midland, and the villages of Coldwater, Port McNicoll and Victoria Harbour.

The Electoral District of Stormont, Dundas and Glengarry—consists of the counties of Stormont, Dundas and Glengarry except the City of Cornwall and the Township of Cornwall.

The Electoral District of Sudbury—consists of that portion of the City of Sudbury contained in Wards 1, 4, 5, 6, 7 and 8.

The Electoral District of Sudbury East—consists of that portion of the Territorial District of Sudbury lying south and east of a line described as follows: Commencing at the intersection of the easterly boundary of the Territorial District of Sudbury and the northerly boundary of the Township of Henry; thence westerly along the northerly boundaries of the townships of Henry, Loughrin and Street to the easterly limit of the Town of Nickel Centre; thence northerly and westerly along the limits of the Town of Nickel Centre to the easterly limit of the Town of Capreol; thence northerly, westerly and southerly along the limits of the Town of Capreol to the northerly limit of the Town of Valley East; thence westerly, southerly and easterly along the limits of the Town of Valley East to the northwest angle of the City of Sudbury; thence easterly, southerly and westerly along the limits of the City of Sudbury to the westerly boundary of the Township of Tilton; thence southerly along the westerly boundaries of the townships of Tilton, Halifax and Atlee to the southern boundary of the Territorial District of Sudbury; that portion of the City of Sudbury contained in Wards 2, 3 and 9, and the towns of Capreol, Nickel Centre and Valley East.

The Electoral District of Timiskaming—consists of the Territorial District of Timiskaming and that portion of the Territorial District of Nipissing lying north of a line described as follows: Commencing at the southwest angle of the Township of Clement; thence easterly along the southerly boundaries of the townships of Clement, Vogt, Torrington, Olive, Milne, Flett, Angus and Parkman to the boundary between the Provinces of Ontario and Quebec, the towns of Charlton, Cobalt, Englehart, Haileybury, Kirkland Lake, Latchford and New Liskeard, the Village of Thornloe, and the Improvement Districts of Gauthier and Temagami.

The Electoral District of Victoria-Haliburton—consists of the County of Victoria and the Provisional County of Haliburton.

The Electoral District of Waterloo North—consists of the townships of Wellesley and Woolwich and the City of Waterloo.

The Electoral District of Welland—consists of the City of Welland and the Town of Thorold.

The Electoral District of Wellington-Dufferin-Peel—consists of the townships of Amaranth, Arthur, East Garafraxa, East Luther, Eramosa, Erin, Maryborough, Nichol, Peel, Pilkington, West Garafraxa and West Luther, the towns of Caledon, Fergus and Mount Forest and the villages of Arthur, Drayton, Elora, Erin, Grand Valley and Shelburne.

The Electoral District of Wellington South—consists of the townships of Guelph and Puslinch, and the City of Guelph.

The Electoral District of Wentworth—consists of the Township of Glanbrook and that portion of the City of Hamilton lying within the following limits: Commencing at the intersection of the southerly limit of the City of Hamilton and Upper James Street; thence northerly along Upper James Street to Mohawk Road; thence easterly along Mohawk Road and the easterly prolongation of Mohawk Road to the brow of Hamilton Mountain; thence southerly and northeasterly along the brow of Hamilton Mountain to the easterly limit of the City of Hamilton; thence southerly and westerly along the said city limit to the point of commencement; and the Town of Stoney Creek.

The Electoral District of Wentworth North—consists of the Township of Flamborough and that portion of the City of Hamilton lying south and west of a line described as follows: Commencing at the intersection of the westerly limit of the City of Hamilton and Mohawk Road; thence easterly along Mohawk Road to Upper James Street; thence southerly along Upper James Street to the southerly limit of the City of Hamilton; and the towns of Ancaster and Dundas.

The Electoral District of Windsor-Riverside—consists of that portion of the City of Windsor (including Peach Island) lying east of a line described as follows: Commencing at the intersection of the Chesapeake and Ohio Railway line and the southerly limit of the City of Windsor; thence northerly and westerly along the Chesapeake and Ohio Railway line and the Pere Marquette Railway line and the Canadian National Railway line to the northerly prolongation of Chilver Road; thence northerly along the northerly prolongation of Chilver Road to the International Boundary between Canada and the United States of America.

The Electoral District of Windsor-Sandwich—consists of that portion of the City of Windsor lying west and north of a line described as follows: Commencing at the intersection of the northerly prolongation of Dougall Avenue and the International Boundary between Canada and the United States of America; thence southerly along said prolongation to and along Dougall Avenue to Cabana Road; thence westerly along Cabana Road to the westerly limit of the City of Windsor.

The Electoral District of Windsor-Walkerville—consists of that portion of the City of Windsor lying within the following limits: Commencing at the intersection of the northerly prolongation of Dougall Avenue and the International Boundary between Canada and the United States of America; thence southerly along said prolongation to and along Dougall Avenue to Cabana Road; thence westerly along Cabana Road to the westerly limit of the City of Windsor; thence southerly, easterly and northerly along said city limit to the Chesapeake and Ohio Railway line; thence northerly and westerly along the Chesapeake and Ohio Railway line and the Pere Marquette Railway line and the Canadian National Railway line to the northerly prolongation of Chilver Road; thence northerly along the northerly prolongation of Chilver Road to the International Boundary between Canada and the United States of America; thence westerly and southerly along the said International Boundary to the point of commencement.

The Electoral District of York Centre—consists of the towns of Markham and Richmond Hill and that part of the Town of Vaughan lying east of Bathurst Street.

THE ELECTORAL DISTRICT OF YORK NORTH—consists of the Township of King, the towns of Aurora, Newmarket and Whitchurch-Stouffville, and that part of the Town of Vaughan lying west of Bathurst Street.

THE ELECTORAL DISTRICT OF ARMOURDALE—consists of that portion of the Borough of North York lying within the following limits: Commencing at the intersection of Steeles Avenue West and Bathurst Street; thence southerly along Bathurst Street to the south boundary of the Borough of North York; thence easterly and northerly following said south boundary to Yonge Street; thence northerly along Yonge Street to Cummer Avenue; thence easterly along Cummer Avenue to Bayview Avenue; thence northerly along Bayview Avenue to Steeles Avenue East; thence westerly along Steeles Avenue East and Steeles Avenue West to the point of commencement.

THE ELECTORAL DISTRICT OF BEACHES-WOODBINE—consists of that portion of the City of Toronto lying east of a line described as follows: Commencing at the intersection of the northerly limit of the City of Toronto and Greenwood Avenue; thence southerly along Greenwood Avenue to the Canadian National Railway line; thence easterly along the said railway line to Coxwell Avenue; thence southerly along Coxwell Avenue and the southerly prolongation of Coxwell Avenue to the water's edge of Ashbridges Bay of Lake Ontario; thence southwesterly along the centre line of Ashbridges Bay to the centre line of the channel known as Coatsworth Cut; thence along the centre line of the said channel to the main waters of Lake Ontario.

THE ELECTORAL DISTRICT OF BELLWOODS—consists of that portion of the City of Toronto lying within the following limits: Commencing at the intersection of the northerly limit of the City of Toronto and the northerly prolongation of Alberta Avenue; thence southerly along the said prolongation and Alberta Avenue to Davenport Road; thence easterly along Davenport Road to Ossington Avenue; thence southerly along Ossington Avenue to College Street; thence westerly along College Street to Dovercourt Road; thence southerly along Dovercourt Road to Sudbury Street; thence southerly in a straight line to the intersection of King Street West and Atlantic Avenue; thence southerly along Atlantic Avenue and the southerly prolongation of Atlantic Avenue to the Gardiner Expressway; thence easterly along the Gardiner Expressway to its intersection with the southerly prolongation of Shaw Street; thence southerly along the southerly prolongation of Shaw Street to a point in Lake Ontario intersected by the southwesterly prolongation of the centre line of the channel known as the Western Gap; thence northeasterly along the said southwesterly prolongation and the centre line of the Western Gap to the intersection of the said centre line and the southerly prolongation of Tecumseth Street; thence northerly along the said southerly prolongation, Tecumseth Street and Palmerston Avenue to the Canadian Pacific Railway line; thence easterly along the said railway line to Bathurst Street; thence northerly along Bathurst Street to the northerly limit of the City of Toronto; thence westerly along the said limit to the point of commencement.

THE ELECTORAL DISTRICT OF DON MILLS—consists of,

(*a*) that portion of the Borough of North York lying south of a line described as follows: Commencing at the intersection of Lawrence Avenue East and the westerly limit of the Borough of North York; thence easterly along Lawrence Avenue East to Leslie Street; thence northerly along Leslie Street to York Mills Road; thence easterly along York Mills Road to the Don River; thence southeasterly along the Don River to the Don Valley Parkway; thence southerly along the Don Valley Parkway to Lawrence Avenue East; thence easterly along Lawrence Avenue East to the easterly limit of the Borough of North York;

(*b*) Ward 1 of the Borough of East York.

THE ELECTORAL DISTRICT OF DOVERCOURT—consists of that portion of the City of Toronto lying within the following limits: Commencing at the intersection of the northerly limit of the City of Toronto and the northerly prolongation of Alberta Avenue; thence westerly and northerly along the limit of the City of

Toronto to Harvie Avenue; thence southerly along Harvie Avenue to St. Clair Avenue West; thence easterly along St. Clair Avenue West to Greenlaw Avenue; thence southerly along Greenlaw Avenue to Davenport Road; thence westerly along Davenport Road to Primrose Avenue; thence southerly along Primrose Avenue and Emerson Avenue to Wallace Avenue; thence easterly along Wallace Avenue to Brock Avenue; thence southerly along Brock Avenue to Bloor Street West; thence westerly along Bloor Street West to Brock Avenue; thence southerly along Brock Avenue to Queen Street West; thence easterly along Queen Street West to Elm Grove Avenue; thence southerly along Elm Grove Avenue to King Street West; thence westerly along King Street West to Spencer Avenue; thence southerly along Spencer Avenue and the southerly prolongation of Spencer Avenue to the shore of Lake Ontario; thence easterly along the shore of Lake Ontario to the intersection of the said lake shore and the southerly prolongation of Shaw Street; thence northerly along the said prolongation to the Gardiner Expressway; thence westerly along the Gardiner Expressway to the intersection of the said Expressway and the southerly prolongation of Atlantic Avenue; thence northerly along said prolongation and Atlantic Avenue to King Street West; thence northerly in a straight line to the intersection of Sudbury Street and Dovercourt Road; thence northerly along Dovercourt Road to College Street; thence easterly along College Street to Ossington Avenue; thence northerly along Ossington Avenue to Davenport Road; thence westerly along Davenport Road to Alberta Avenue; thence northerly along Alberta Avenue and the northerly prolongation of Alberta Avenue to the point of commencement.

The Electoral District of Downsview—consists of that portion of the Borough of North York lying within the following limits: Commencing at the intersection of Steeles Avenue West and Dufferin Street; thence southerly along Dufferin Street to Sheppard Avenue West; thence easterly along Sheppard Avenue West to the easterly boundary of the Downsview Airport; thence southerly, easterly and westerly along the said easterly boundary to Wilson Avenue; thence westerly along Wilson Avenue to Dufferin Street; thence southerly along Dufferin Street to the Macdonald-Cartier Freeway; thence westerly along the said Freeway to the Canadian National Railway line; thence southerly along the said railway line to the southern boundary of the Borough of North York; thence westerly, northerly, easterly and northerly along the boundary of the Borough of North York and continuing northerly along Jane Street to Sheppard Avenue; thence easterly along Sheppard Avenue to Keele Street; thence northerly along Keele Street to Steeles Avenue West; thence easterly along Steeles Avenue West to the point of commencement.

The Electoral District of Eglinton—consists of that portion of the City of Toronto lying north of a line described as follows: Commencing at the intersection of the east limit of the City of Toronto and Manor Road; thence westerly along Manor Road to Yonge Street; thence northerly along Yonge Street to Eglinton Avenue West; thence westerly along Eglinton Avenue West to the west limit of the City of Toronto.

The Electoral District of Etobicoke—consists of,

(*a*) that portion of the Borough of Etobicoke lying north of the Macdonald-Cartier Freeway;

(*b*) that portion of the Borough of North York lying west and north of a line described as follows: Commencing at the intersection of Steeles Avenue West and Highway 400; thence southerly along Highway 400 to Finch Avenue West; thence westerly along Finch Avenue West to Islington Avenue; thence southerly along Islington Avenue to the westerly boundary of the Borough of North York.

The Electoral District of High Park-Swansea—consists of that part of the City of Toronto lying within the following limits: Commencing at the intersection of the

westerly limit of the City of Toronto and the shore of Lake Ontario; thence westerly, northerly and easterly following the said city limit to its intersection with the Canadian National Railway line; thence southerly along said railway line to Bloor Street West; thence westerly along Bloor Street West to Dundas Street West; thence southerly along Dundas Street West to Roncesvalles Avenue; thence southerly along Roncesvalles Avenue to Queen Street West; thence westerly along Queen Street West and the westerly prolongation of Queen Street West to the Gardiner Expressway; thence southeasterly along the Gardiner Expressway to Dowling Avenue; thence southerly along the prolongation of Dowling Avenue to the shore of Lake Ontario; thence northwesterly along the shore of Lake Ontario to the point of commencement.

THE ELECTORAL DISTRICT OF HUMBER—consists of that portion of the Borough of Etobicoke lying within the following limits: Commencing at the intersection of the Gardiner Expressway and the Humber River; thence westerly along the Gardiner Expressway and Queen Elizabeth Way to Mimico Creek; thence northerly along Mimico Creek to Bloor Street West; thence westerly along Bloor Street West to the Canadian Pacific Railway line; thence southwesterly along said railway line to Kipling Avenue; thence northerly along Kipling Avenue to the Macdonald-Cartier Freeway; thence northeasterly and easterly along said Freeway to the Humber River; thence southerly along the Humber River to the point of commencement.

THE ELECTORAL DISTRICT OF LAKESHORE—consists of that portion of the Borough of Etobicoke lying south of a line described as follows: Commencing at the intersection of the Gardiner Expressway and the Humber River; thence westerly along the Gardiner Expressway and Queen Elizabeth Way to Mimico Creek; thence northwesterly along Mimico Creek to Bloor Street West; thence westerly along Bloor Street West to the Canadian Pacific Railway line; thence southwesterly along said railway line to the westerly boundary of the Borough of Etobicoke.

THE ELECTORAL DISTRICT OF OAKWOOD—consists of that portion of the Borough of York lying east of a line described as follows: Commencing at the intersection of the north boundary of the Borough of York and Keele Street; thence southerly along Keele Street to Eglinton Avenue; thence easterly along Eglinton Avenue to the Canadian National Railway line; thence southerly along the Canadian National Railway line to the northern limit of the City of Toronto.

THE ELECTORAL DISTRICT OF ORIOLE—consists of that portion of the Borough of North York lying within the following limits: Commencing at the intersection of Victoria Park Avenue and Pawnee Avenue; thence westerly along Pawnee Avenue to Cherokee Boulevard; thence westerly in a straight line to the intersection of Shawnee Circle and Finch Avenue East; thence westerly along Finch Avenue East to the Don River; thence southeasterly along the Don River to Leslie Street; thence southerly along Leslie Street to York Mills Road; thence easterly along York Mills Road to the Don River; thence southeasterly along the Don River to Don Valley Parkway; thence southerly along the Don Valley Parkway to Lawrence Avenue East; thence easterly along Lawrence Avenue East to Victoria Park Avenue; thence northerly along Victoria Park Avenue to the point of commencement.

THE ELECTORAL DISTRICT OF PARKDALE—consists of that portion of the City of Toronto lying within the following limits: Commencing at the intersection of the shore of Lake Ontario and the southerly prolongation of Spencer Avenue; thence northerly along the said prolongation and Spencer Avenue to King Street West; thence easterly along King Street West to Elm Grove Avenue; thence northerly along Elm Grove Avenue to Queen Street West; thence westerly along Queen Street West to Brock Avenue; thence northerly along Brock Avenue to Bloor Street West; thence easterly along Bloor Street West to Brock Avenue; thence northerly along Brock Avenue to Wallace Avenue;

thence westerly along Wallace Avenue to Emerson Avenue; thence northerly along Emerson Avenue and Primrose Avenue to Davenport Road; thence easterly along Davenport Road to Greenlaw Avenue; thence northerly along Greenlaw Avenue to St. Clair Avenue West; thence westerly along St. Clair Avenue West to Harvie Avenue; thence northerly along Harvie Avenue to the northerly limit of the City of Toronto; thence westerly along the northerly limit of the City of Toronto to the first Canadian National Railway line west of Union Street; thence southeasterly along the said railway line to Bloor Street West; thence westerly along Bloor Street West to Dundas Street West; thence southerly along Dundas Street West to Roncesvalles Avenue; thence southerly along Roncesvalles Avenue to Queen Street West; thence westerly along Queen Street West and the westerly prolongation of Queen Street West to the Gardiner Expressway; thence southeasterly along the Gardiner Expressway to Dowling Avenue; thence southerly along Dowling Avenue and the southerly prolongation of Dowling Avenue to the shore of Lake Ontario; thence southeasterly along the shore of Lake Ontario to the point of commencement.

The Electoral District of Riverdale—consists of that portion of the City of Toronto lying within the following limits: Commencing at the intersection of the main waters of Lake Ontario and the centre line of the channel known as Coatsworth Cut; thence northwesterly along the centre line of the said channel to the centre line of Ashbridges Bay; thence northeasterly along the centre line of the said Bay to the southerly prolongation of Coxwell Avenue; thence northerly along the said prolongation and Coxwell Avenue to the Canadian National Railway line; thence westerly along said Railway line to Greenwood Avenue; thence northerly along Greenwood Avenue to the northerly limit of the City of Toronto; thence westerly, northerly and westerly along the said northerly limit to Jackman Avenue; thence southerly along Jackman Avenue to Danforth Avenue; thence easterly along Danforth Avenue to Hampton Avenue; thence southerly along Hampton Avenue to Sparkhall Avenue; thence westerly along Sparkhall Avenue to Broadview Avenue; thence southerly along Broadview Avenue to Gerrard Street East; thence easterly along Gerrard Street East to De Grassi Street; thence southerly along De Grassi Street to Queen Street East; thence easterly along Queen Street East to Carlaw Avenue; thence southerly along Carlaw Avenue and the southerly prolongation of Carlaw Avenue to the shore of Lake Ontario; thence northeasterly along the shore of Lake Ontario to the point of commencement.

The Electoral District of St. Andrew-St. Patrick—consists of that portion of the City of Toronto lying within the following limits: Commencing at the intersection of Eglinton Avenue West and Bathurst Street; thence southerly along Bathurst Street to the boundary between the City of Toronto and the Borough of York; thence easterly, southerly and westerly along the said boundary to Bathurst Street; thence southerly along Bathurst Street to the Canadian Pacific Railway line; thence westerly along the said railway line to Palmerston Avenue; thence southerly along Palmerston Avenue, Tecumseth Street and the southerly prolongation of Tecumseth Street to the centre line of the channel known as the Western Gap; thence southwesterly along the centre line of the said Channel to the main waters of Lake Ontario; thence southerly and easterly along the shore of Lake Ontario, including the Toronto Islands, to the centre line of the Channel known as the Eastern Gap; thence northwesterly along the centre line of the said Channel to the southerly prolongation of Parliament Street; thence northerly along the said prolongation to the water's edge of Toronto Harbour; thence westerly along the northerly line of Toronto Harbour to the southerly prolongation of York Street; thence northerly along the said prolongation, York Street and University Avenue to Queen's Park Crescent; thence northerly along the easterly side of Queen's Park Crescent to Bloor Street West; thence westerly along Bloor Street West to Spadina Road; thence northerly along Spadina Road to the Canadian Pacific Railway line; thence easterly along said railway line to Avenue Road; thence northerly along Avenue Road to Lonsdale Road; thence easterly along Lonsdale Road to Oriole Parkway; thence northerly along Oriole Parkway

to the Canadian National Railway line; thence southeasterly along said railway line to Yonge Street; thence northerly along Yonge Street to Eglinton Avenue; thence westerly along Eglinton Avenue to the point of commencement.

THE ELECTORAL DISTRICT OF ST. DAVID—consists of that portion of the City of Toronto lying within the following limits: Commencing at the intersection of the shore of Lake Ontario and the southerly prolongation of Carlaw Avenue; thence northerly along said prolongation and Carlaw Avenue to Queen Street East; thence westerly along Queen Street East to De Grassi Street; thence northerly along De Grassi Street to Gerrard Street East; thence westerly along Gerrard Street East to Broadview Avenue; thence northerly along Broadview Avenue to Sparkhall Avenue; thence easterly along Sparkhall Avenue to Hampton Avenue; thence northerly along Hampton Avenue to Danforth Avenue; thence westerly along Danforth Avenue to Jackman Avenue; thence northerly along Jackman Avenue to the boundary between the City of Toronto and the Borough of East York; thence following said boundary westerly, northerly, easterly and northerly to Manor Road; thence westerly along Manor Road to Yonge Street; thence southerly along Yonge Street to Bloor Street East; thence easterly along Bloor Street East to Parliament Street; thence southerly along Parliament Street and continuing southerly along the prolongation of Parliament Street through the Eastern Channel to the shore of Lake Ontario; thence easterly following said shore to the point of commencement.

THE ELECTORAL DISTRICT OF ST. GEORGE—consists of that portion of the City of Toronto lying within the following limits: Commencing at the intersection of the prolongation of York Street and the northerly line of Toronto Harbour; thence northerly along said prolongation and York Street and continuing northerly along University Avenue to Queen's Park Crescent; thence northerly along the easterly side of Queen's Park Crescent to Bloor Street West; thence westerly along Bloor Street West to Spadina Road; thence northerly along Spadina Road to the Canadian Pacific Railway line; thence easterly along said railway line to Avenue Road; thence northerly along Avenue Road to Lonsdale Road; thence easterly along Lonsdale Road to Oriole Parkway; thence northerly along Oriole Parkway to the Canadian National Railway line; thence southeasterly along the said railway line to Yonge Street; thence southerly along Yonge Street to Bloor Street East; thence easterly along Bloor Street East to Parliament Street; thence southerly along Parliament Street and the prolongation of Parliament Street to the water's edge of Toronto Harbour; thence westerly along the northerly line of Toronto Harbour to the point of commencement.

THE ELECTORAL DISTRICT OF SCARBOROUGH CENTRE—consists of that portion of the Borough of Scarborough lying within the following limits: Commencing at the intersection of the southerly prolongation of Markham Road and the shore of Lake Ontario; thence northerly along said prolongation to and along Markham Road to the Canadian National Railway line; thence easterly along said railway line to Scarborough Golf Club Road; thence northerly along Scarborough Golf Club Road to Lawrence Avenue East; thence westerly along Lawrence Avenue East to the Canadian National Railway line; thence southerly along said railway line to Danforth Road; thence northeasterly along Danforth Road to Midland Avenue; thence southerly along Midland Avenue to Kingston Road; thence southwesterly along Kingston Road to the northerly prolongation to Wynnview Court; thence southerly along said prolongation to and along Wynnview Court and continuing southerly along the southerly prolongation of Wynnview Court to the shore of Lake Ontario; thence northeasterly along the shore of Lake Ontario to the point of commencement.

THE ELECTORAL DISTRICT OF SCARBOROUGH EAST—consists of that portion of the Borough of Scarborough lying east and south of a line described as follows: Commencing at the intersection of the southerly prolongation of Markham Road and the shore of Lake Ontario; thence northerly along said prolongation to

and along Markham Road to the Canadian National Railway line; thence easterly along said railway line to Scarborough Golf Club Road; thence northerly along Scarborough Golf Club Road to Ellesmere Road; thence westerly along Ellesmere Road to Markham Road; thence northerly along Markham Road to the Macdonald-Cartier Freeway; thence easterly along the Macdonald-Cartier Freeway to the easterly limit of the Borough of Scarborough.

The Electoral District of Scarborough-Ellesmere—consists of that portion of the Borough of Scarborough lying within the following limits: Commencing at the intersection of Eglinton Avenue East and the first Canadian National Railway line east of Kennedy Road; thence northerly along said railway line to Lawrence Avenue East; thence easterly along Lawrence Avenue East to Scarborough Golf Club Road; thence northerly along Scarborough Golf Club Road to Ellesmere Road; thence westerly along Ellesmere Road to Markham Road; thence northerly along Markham Road to the Macdonald-Cartier Freeway; thence westerly along the Macdonald-Cartier Freeway to Birchmount Road; thence southerly along Birchmount Road to Lawrence Avenue East; thence westerly along Lawrence Avenue East to Victoria Park Avenue; thence southerly along Victoria Park Avenue to Eglinton Avenue East; thence easterly along Eglinton Avenue East to the point of commencement.

The Electoral District of Scarborough North—consists of that portion of the Borough of Scarborough lying north and west of a line described as follows: Commencing at the intersection of Victoria Park Avenue and Lawrence Avenue East; thence easterly along Lawrence Avenue East to Birchmount Road; thence northerly along Birchmount Road to the Macdonald-Cartier Freeway; thence easterly along the Macdonald-Cartier Freeway to the easterly limit of the Borough of Scarborough.

The Electoral District of Scarborough West—consists of that portion of the Borough of Scarborough bounded on the south by the shore of Lake Ontario, on the west by the west limit of the Borough of Scarborough, on the north by Eglinton Avenue East and on the east by a line described as follows: Commencing at the intersection of Eglinton Avenue East and the first Canadian National Railway line east of Kennedy Road; thence southerly along said railway line to Danforth Road; thence northeasterly along Danforth Road to Midland Avenue; thence southerly along Midland Avenue to Kingston Road; thence southwesterly along Kingston Road to the northerly prolongation of Wynnview Court; thence southerly along said prolongation to and along Wynnview Court and continuing southerly along the southerly prolongation of Wynnview Court to the shore of Lake Ontario.

The Electoral District of Wilson Heights—consists of that portion of the Borough of North York lying within the following limits: Commencing at the intersection of Steeles Avenue West and Dufferin Street; thence southerly along Dufferin Street to Sheppard Avenue West; thence easterly along Sheppard Avenue West to the easterly boundary of the Downsview Airport; thence southerly, easterly and westerly along the said easterly boundary to Wilson Avenue; thence westerly along Wilson Avenue to Dufferin Street; thence southerly along Dufferin Street to the Macdonald-Cartier Freeway; thence westerly along the said Freeway to the Canadian National Railway line; thence southerly along the said railway line to the southern boundary of the Borough of North York; thence easterly along the boundary of the Borough of North York to Bathurst Street; thence northerly along Bathurst Street to Steeles Avenue West; thence westerly along Steeles Avenue West to the point of commencement.

The Electoral District of York East—consists of wards 2, 3 and 4 of the Borough of East York.

The Electoral District of York Mills—consists of that part of the Borough of North York lying within the following limits: Commencing at the intersection of Steeles Avenue East and Bayview Avenue; thence southerly along Bayview Avenue to Cummer Avenue; thence westerly along Cummer Avenue

to Yonge Street; thence southerly along Yonge Street to the North limit of the City of Toronto; thence easterly and southerly following said city limit to Lawrence Avenue East; thence easterly along Lawrence Avenue East to Leslie Street; thence northerly along Leslie Street to the Don River; thence northerly along the Don River to Finch Avenue East; thence easterly along Finch Avenue East to Shawnee Circle; thence easterly in a straight line to the intersection of Cherokee Boulevard and Pawnee Avenue; thence easterly along Pawnee Avenue to Victoria Park Avenue; thence northerly along Victoria Park Avenue to Steeles Avenue East; thence westerly along Steeles Avenue East to the point of commencement.

The Electoral District of York South—consists of those portions of the Boroughs of York and North York lying within the following limits: Commencing at the intersection of the limit between the City of Toronto and the Borough of York with the Humber River; thence northerly along the Humber River to the Macdonald-Cartier Freeway; thence easterly along the Macdonald-Cartier Freeway to Jane Street; thence southerly along Jane Street to the boundary between the Borough of York and the Borough of North York; thence southerly, westerly and easterly following said boundary to Keele Street; thence southerly along Keele Street to Eglinton Avenue; thence easterly along Eglinton Avenue to the Canadian National Railway line; thence southerly along said Railway line to the limit between the City of Toronto and the Borough of York; thence westerly and southerly along said limit to the point of commencement.

The Electoral District of York West—consists of that portion of the Borough of Etobicoke lying within the following limits: Commencing at the intersection of the Canadian Pacific Railway line and the Westerly boundary of the Borough of Etobicoke; thence northerly, easterly and northerly along said westerly boundary to the Macdonald-Cartier Freeway; thence easterly and northeasterly along said Freeway to Kipling Avenue; thence southerly along Kipling Avenue to the Canadian Pacific Railway line; thence southwesterly along said railway line to the point of commencement.

The Electoral District of Yorkview—consists of that portion of the Borough of North York lying within the following limits: Commencing at the intersection of Steeles Avenue West and Highway 400; thence southerly along Highway 400 to Finch Avenue West; thence westerly along Finch Avenue West to Islington Avenue; thence southerly along Islington Avenue to the westerly boundary of the Borough of North York; thence southerly, easterly and southerly along said westerly boundary to the Macdonald-Cartier Freeway; thence easterly along said Freeway to Jane Street; thence northerly along Jane Street to Sheppard Avenue West; thence easterly along Sheppard Avenue West to Keele Street; thence northerly along Keele Street to Steeles Avenue West; thence westerly along Steeles Avenue West to the point of commencement.

BILL 22

The Representation Act, 1975

1st Reading

March 26th, 1975

2nd Reading

3rd Reading

THE HON. R. WELCH
Minister of Culture and Recreation

(*Government Bill*)

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Government
Publications

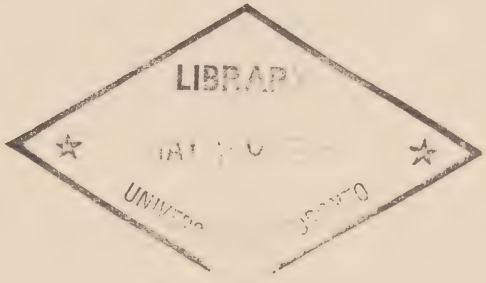
BILL 23 **Private Member's Bill**

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to control Professional Fund-raising Corporations

MR. NEWMAN (Windsor-Walkerville)



TORONTO
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Explanatory Note

The Bill provides for the licensing of professional fund-raising corporations.

BILL 23 **1975**

An Act to control Professional Fund-raising Corporations

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. In this Act, Interpretation

(*a*) "Commissioner" means the Commissioner of professional fund-raising corporations;

(*b*) "Director" means the Director of the Consumer Protection Division of the Ministry;

(*c*) "Minister" means the Minister of Consumer and Commercial Relations;

(*d*) "Ministry" means the Ministry of Consumer and Commercial Relations;

(*e*) "professional fund-raising corporation" means a corporation that has as its objects, the raising of money for non-profit organizations in return for remuneration of any kind and includes a sole proprietorship or partnership which raises money for non-profit organizations in return for remuneration of any kind;

(*f*) "regulations" means the regulations made under this Act;

(*g*) "Tribunal" means The Commercial Registration Appeal Tribunal established under *The Department of Financial and Commercial Affairs Act*. R.S.O. 1970, c. 113

COMMISSIONER

2.—(1) There shall be a Commissioner of professional fund-raising corporations who shall be appointed by the Lieutenant Governor in Council. Commissioner

Powers and duties of Commissioner

(2) The Commissioner may exercise the powers and shall discharge the duties conferred and imposed upon him by this Act and the regulations under the supervision of the Director.

LICENSING

Licensing

3.—(1) No person shall engage in business as a professional fund-raising corporation unless he is licensed as a professional fund-raising corporation.

Change in partnership

(2) Where a partnership is licensed under subsection 1, any change in the membership of the partnership shall be deemed to create a new partnership for the purpose of licensing.

Licensing, exception

4.—(1) An applicant is entitled to a licence or renewal of a licence by the Commissioner except where,

(*a*) having regard to his financial position, the applicant cannot reasonably be expected to be financially responsible in the conduct of his business; or

(*b*) the past conduct of the applicant affords reasonable grounds for belief that he will not carry on business in accordance with law and with integrity and honesty; or

(*c*) the applicant is a corporation and,

(i) having regard to its financial position, it cannot reasonably be expected to be financially responsible in the conduct of its business, or

(ii) the past conduct of its officers or directors affords reasonable grounds for belief that its business will not be carried on in accordance with law and with integrity and honesty; or

(*d*) the applicant is carrying on activities that are, or will be, if the applicant is licensed, in contravention of this Act or the regulations.

Conditions of a licence

(2) A licence is subject to such terms and conditions to give effect to the purposes of this Act as are consented to by the applicant, imposed by the Tribunal or prescribed by the regulations.

Refusal to grant a licence

5.—(1) Subject to section 9, the Commissioner may refuse to grant a licence to an applicant where in the Commissioner's opinion the applicant is disentitled to a licence under section 4.

(2) Subject to section 6, the Commissioner may refuse to renew or may suspend or revoke a licence for any reason that would disentitle the licensee to a licence under section 4 if he were an applicant or where the licensee is in breach of a term or condition of the licence. Revocation

6.—(1) Where the Commissioner proposes to refuse to grant or renew a licence or proposes to suspend or revoke a licence, he shall serve notice of his proposal, together with written reasons therefor, on the applicant or licensee. Notice of proposal to refuse or revoke

(2) A notice under subsection 1 shall inform the applicant or licensee that he is entitled to a hearing by the Tribunal if he mails or delivers, within fifteen days after the notice under section 1 is served on him, notice in writing requiring a hearing to the Commissioner and the Tribunal, and he may so require such a hearing. Notice requiring hearing

(3) Where an applicant or licensee does not require a hearing by the Tribunal in accordance with subsection 2, the Commissioner may carry out the proposal stated in his notice under subsection 1. Powers of Commissioner where no hearing

(4) Where an applicant or licensee requires a hearing by the Tribunal in accordance with subsection 2, the Tribunal shall appoint a time for and hold the hearing and, on the application of the Commissioner at the hearing, may by order direct the Commissioner to carry out his proposal or refrain from carrying out his proposal and to take such action as the Tribunal considers the Commissioner ought to take in accordance with this Act and the regulations, and for such purposes the Tribunal may substitute its opinion for that of the Commissioner. Powers of Tribunal where hearing

(5) The Tribunal may attach such terms and conditions to its order or to the licence as it considers proper to give effect to the purposes of this Act. Conditions of order

(6) The Commissioner, the applicant or licensee who has required the hearing and such other persons as the Tribunal may specify are parties to proceedings before the Tribunal under this section. Parties

(7) Notwithstanding subsection 1, the Commissioner may cancel a licence upon the request in writing of the licensee in the prescribed form surrendering his licence. Voluntary cancellation

(8) Where, within the time prescribed therefor or, if no time is prescribed, before expiry of his licence, a licensee has applied for renewal of his licence and paid the prescribed fee, his licence shall be deemed to continue, Continuation of licence pending renewal

(*a*) until the renewal is granted; or

(*b*) where he is served with notice that the Commissioner proposes to refuse to grant the renewal, until the time for giving notice requiring a hearing has expired and, where a hearing is required, until the Tribunal has made its order.

Order of Tribunal effective, stay R.S.O. 1970, c. 113

(9) Notwithstanding that a licensee appeals from an order of the Tribunal under section 9*b* of *The Ministry of Consumer and Commercial Relations Act*, the order takes effect immediately, but the Tribunal may grant a stay until disposition of the appeal.

Further applications

7. A further application for a licence may be made upon new or other evidence or where it is clear that material circumstances have changed.

Investigation of complaints

8.—(1) Where the Commissioner receives a complaint in respect of a professional fund-raising corporation and so requests in writing, the professional fund-raising corporation shall furnish the Commissioner with such information respecting the matter complained of as the Commissioner requires.

Idem

(2) The request under subsection 1 shall indicate the nature of the inquiry involved.

Idem

(3) For the purposes of subsection 1, the Commissioner or any person designated in writing by him may at any reasonable time enter upon the business premises of the licensee to make an inspection in relation to the complaint.

Inspection

9.—(1) The Commissioner or any person designated by him in writing may at any reasonable time enter upon the business premises of the licensee to make an inspection to ensure that the provisions of this Act and the regulations relating to a licence are being complied with.

Idem

(2) Where the Commissioner has reasonable and probable grounds to believe that any person is acting as a professional fund-raising corporation while not licensed, the Commissioner or any person designated by him in writing may at any reasonable time enter upon such person's business premises to make an inspection for the purpose of determining whether or not the person is in contravention of section 3.

Powers on inspection

10.—(1) Upon an inspection under section 8 or 9, the person inspecting,

(*a*) is entitled to free access to all books of account, cash, documents, bank accounts, vouchers, correspondence and records of the person being inspected that are relevant for the purposes of the inspection; and

(*b*) may, upon giving a receipt therefor, remove any material referred to in clause *a* that relates to the purpose of the inspection for the purpose of making a copy thereof, provided that such copying is carried out with reasonable dispatch and the material in question is promptly thereafter returned to the person being inspected,

and no person shall obstruct the person inspecting or withhold or destroy, conceal or refuse to furnish any information or thing required by the person inspecting for the purposes of the inspection.

Admissibility of copies

(2) Any copy made as provided in subsection 1 and purporting to be certified by an inspector is admissible in evidence in any action, proceeding or prosecution as *prima facie* proof of the original.

Investigations by order of Minister

11. The Minister may by order appoint a person to make an investigation into any matter to which this Act applies as may be specified in the Minister's order and the person appointed shall report the result of his investigation to the Minister and, for the purposes of the investigation, the person making it has the powers of a commission under Part II of *The Public Inquiries Act, 1971*, which Part applies to such investigation as if it were an inquiry under that Act.

1971, c. 49

Investigation by Director

12.—(1) Where, upon a statement made under oath, the Director believes on reasonable and probable grounds that any person has,

(*a*) contravened any of the provisions of this Act or the regulations; or

(*b*) committed an offence under the *Criminal Code* (Canada) or under the law of any jurisdiction that is relevant to his fitness for licensing under this Act,

R.S.C. 1970, c. C-34

the Director may by order appoint one or more persons to make an investigation to ascertain whether such a contravention of the Act or regulation or the Commission of such an offence has occurred, and the person appointed shall report the result of his investigation to the Director.

Powers of investigator

(2) For purposes relevant to the subject-matter of an investigation under this section, the person appointed to make the investigation may inquire into and examine the affairs of the person in respect of whom the investigation is being made and may,

(*a*) upon production of his appointment, enter at any reasonable time the business premises of such person and examine books, papers, documents and things relevant to the subject-matter of the investigation; and

(*b*) inquire into negotiations, transactions, loans, borrowings made by or on behalf of or in relation to such person and into property, assets or things owned, acquired or alienated in whole or in part by him or any person acting on his behalf that are relevant to the subject-matter of the investigation,

and for the purposes of the inquiry, the person making the investigation has the powers of a commission under Part II of *The Public Inquiries Act, 1971*, which Part applies to such inquiry as if it were an inquiry under that Act.

1971, c. 49

Obstruction of investigator

(3) No person shall obstruct a person appointed to make an investigation under this section or withhold from him or conceal or destroy any books, papers, documents or things relevant to the subject-matter of the investigation.

Search warrant

(4) Where a provincial judge is satisfied, upon an *ex parte* application by the person making an investigation under this section, that the investigation has been ordered and that such person has been appointed to make it and that there is reasonable ground for believing there are in any building, dwelling, receptacle or place any books, papers, documents or things relating to the person whose affairs are being investigated and to the subject-matter of the investigation, the provincial judge may, whether or not an inspection has been made or attempted under clause *a* of subsection 2, issue an order authorizing the person making the investigation, together with such police officer or officers as he calls upon to assist him, to enter and search, if necessary by force, such building, dwelling, receptacle or place for such books, papers, documents or things and to examine them, but every such entry and search shall be made between sunrise and sunset unless the provincial judge, by the order, authorizes the person making the investigation to make the search at night.

Removal of books, etc.

(5) Any person making an investigation under this section may, upon giving a receipt therefor, remove any books,

papers, documents or things examined under clause *a* of subsection 2 or subsection 4 relating to the person whose affairs are being investigated and to the subject-matter of the investigation for the purpose of making copies of such books, papers or documents, but such copying shall be carried out with reasonable dispatch and the books, papers or documents in question shall be promptly thereafter returned to the person whose affairs are being investigated.

Admissibility of copies

(6) Any copy made as provided in subsection 5 and certified to be a true copy by the person making the investigation is admissible in evidence in any action, proceeding or prosecution as *prima facie* proof of the original book, paper or document and its contents.

Appointment of experts

(7) The Minister or Director may appoint any expert to examine books, papers, documents or things examined under clause *a* of subsection 2 or under subsection 4.

Matters confidential

13.—(1) Every person employed in the administration of this Act, including any person making an inquiry, inspection or an investigation under section 8, 9, 10, 11 or 12, shall preserve secrecy with respect to all matters that come to his knowledge in the course of his duties, employment, inquiry, inspection or investigation and shall not communicate any such matters to any other person except,

(*a*) as may be required in connection with the administration of this Act and the regulations or any proceedings under this Act or the regulations; or

(*b*) to his counsel; or

(*c*) with the consent of the person to whom the information relates.

Testimony in civil suit

(2) No person to whom subsection 1 applies shall be required to give testimony in any civil suit or proceeding with regard to information obtained by him in the course of his duties, employment, inquiry, inspection or investigation except in a proceeding under this Act or the regulations.

Report

14. Where, upon the report of an investigation made under subsection 1 of section 13, it appears to the Director that a person may have,

(*a*) contravened any of the provisions of this Act or the regulations; or

R.S.C. 1970, c. C-34

(*b*) committed an offence, under the *Criminal Code* (Canada) or under the law of any jurisdiction, that is relevant to his fitness for licensing under this Act,

the Director shall send a full and complete report of the investigation, including the report made to him, any transcript or evidence and any material in the possession of the Director relating thereto, to the Minister.

Order to refrain from dealing with assets

15.—(1) Where,

(*a*) an investigation of any person has been ordered under section 13; or

(*b*) criminal proceedings or proceedings in relation to a contravention of any Act or regulation are about to be or have been instituted against a person that are connected with or arise out of the business in respect of which such person is registered,

the Director, if he believes it advisable for the protection of clients or customers of the person referred to in clause *a* or *b*, may, in writing or by telegram, direct any person having on deposit or under control or for safekeeping any assets or trust funds of the person referred to in clause *a* or *b* to hold such assets or trust funds or direct the person referred to in clause *a* or *b* to refrain from withdrawing any such assets or trust funds from any person having any of them on deposit or under control or for safekeeping or to hold such assets or any trust funds of clients, customers or others in his possession or control in trust for any interim receiver, custodian, trustee, receiver or liquidator appointed under the *Bankruptcy Act* (Canada), *The Judicature Act*, *The Corporations Act*, *The Business Corporations Act* or the *Winding-up Act* (Canada), or until the Director revokes or the Tribunal cancels such direction or consents to the release of any particular assets or trust funds from the direction but, in the case of a bank, loan or trust company, the direction only applies to the office, branches or agencies thereof named in the direction.

R.S.O. 1970, cc. 228, 89, 53
R.S.C. 1970, cc. B-4, W-11

Bond in lieu

(2) Subsection 1 does not apply where the person referred to in clause *a* or *b* of subsection 1 files with the Director,

(*a*) a personal bond accompanied by collateral security;

(*b*) a bond of a guarantee company approved under *The Guarantee Companies Securities Act*; or

R.S.O. 1970, c. 196

(*c*) a bond of a guarantor, other than a guarantee company, accompanied by collateral security,

in such form, terms and amount as the Director determines.

(3) Any person in receipt of a direction given under subsection 1, if in doubt as to the application of the direction to any assets or trust funds, or in case of a claim being made thereto by a person not named in the direction, may apply to a judge or local judge of the Supreme Court who may direct the disposition of such assets or trust funds and may make such order as to costs as seems just. Application for direction

REGULATION OF PROFESSIONAL FUND-RAISING CORPORATIONS

16.—(1) Every professional fund-raising corporation shall keep a record sheet in the prescribed form and proper books and accounts with respect to his business as a professional fund-raising corporation. Books, etc., to be kept

(2) In addition to those records prescribed under subsection 1, every professional fund-raising corporation shall file with the Minister for each fund-raising event undertaken by the corporation a financial statement in the prescribed form showing the amount collected, the expenses of the campaign and the amount turned over to the non-profit organization for which the campaign was conducted. Idem

17.—(1) Every professional fund-raising corporation shall maintain an account designated as a trust account in a chartered bank, loan or trust company or Province of Ontario Savings Office in which shall be deposited all moneys that come into its hands in trust for other persons in connection with its business, and it shall at all times keep such moneys separate and apart from moneys belonging to itself or to the partnership, in the case of a partnership, and shall disburse such moneys only in accordance with the terms of the trust. Bank account

(2) Where a professional fund-raising corporation holds moneys in trust for a period of one year after the person for whom it is held first became entitled to payment of the moneys and such person cannot be located, the professional fund-raising corporation shall pay the moneys to the Treasurer of Ontario who shall pay the moneys to the person appearing to the Treasurer to be entitled thereto. Unclaimed trust moneys

18. Every professional fund-raising corporation shall be bonded in the form and manner as is prescribed in the regulations. Bonding

19. No professional fund-raising corporation shall charge an amount towards overhead in relation to direct expenses greater than that amount prescribed in the regulations. Overhead

Service

20.—(1) Any notice or order required to be given or served under this Act or the regulations is sufficiently given or served if delivered personally or sent by registered mail addressed to the person to whom delivery or service is required to be made at the latest address for service appearing on the records of the Ministry.

Where service deemed to be made

(2) Where service is made by registered mail, the service shall be deemed to be made on the third day after the day of mailing unless the person on whom service is being made establishes that he did not, acting in good faith, through absence, accident, illness or other cause beyond his control receive the notice or order until a later date.

Exception

(3) Notwithstanding subsections 1 and 2, the Tribunal may order any other method of service in respect of any matter before the Tribunal.

Restraining orders

21.—(1) Where it appears to the Director that any person does not comply with any provision of this Act, the regulations or an order made under this Act, notwithstanding the imposition of any penalty in respect of such non-compliance and in addition to any other rights he may have, the Director may apply to a judge of the High Court for an order directing such person to comply with such provision, and upon the application the judge may make such order or such other order as the judge thinks fit.

Appeal

(2) An appeal lies to the Supreme Court from an order made under subsection 1.

Offences

22.—(1) Every person who, knowingly,

(*a*) furnishes false information in any application under this Act or in any statement or return required to be furnished under this Act or the regulations;

(*b*) fails to comply with any order, direction or other requirement made under this Act; or

(*c*) contravenes any provision of this Act or the regulations,

and every director or officer of a corporation who knowingly concurs in such furnishing, failure or contravention is guilty of an offence and on summary conviction is liable to a fine not more than $2,000 or to imprisonment for a term of not more than one year, or to both.

Corporations

(2) Where a corporation is convicted of an offence under subsection 1, the maximum penalty that may be imposed upon the corporation is $25,000 and not as provided therein.

(3) No proceedings under this section shall be instituted except with the consent of the Minister. Consent of Minister

(4) No proceeding under clause *a* of subsection 1 shall be commenced more than one year after the facts upon which the proceeding is based first came to the knowledge of the Director. Limitation

(5) No proceeding under clause *b* or *c* of subsection 1 shall be commenced more than two years after the time when the subject-matter of the proceeding arose. Idem

23. The Lieutenant Governor in Council may make regulations, Regulations

(*a*) requiring and governing the books, accounts and records that shall be kept by licensed professional fund-raising corporations;

(*b*) prescribing the form of financial statements to be filed under subsection 2 of section 16;

(*c*) governing applications for a licence or renewal of a licence and prescribing terms and conditions of licences;

(*d*) prescribing the fees payable upon applications for licences and renewal of licences and any other fees in connection with the administration of this Act and the regulations;

(*e*) prescribing the practice and procedure upon investigations under sections 8 and 10;

(*f*) prescribing forms and providing for their use;

(*g*) prescribing further procedures respecting the conduct of matters coming before the Tribunal;

(*h*) prescribing the form and manner in which a professional fund-raising corporation shall be bonded;

(*i*) prescribing the amount which may be charged towards overhead in relation to direct expenses.

24. This Act comes into force on the day it receives Royal Assent. Commencement

25. This Act may be cited as *The Professional Fund-raising Corporations Control Act, 1975*. Short title

BILL 23

An Act to control
Professional Fund-raising Corporations

1st Reading

March 26th, 1975

2nd Reading

3rd Reading

MR. NEWMAN
(Windsor-Walkerville)

(*Private Member's Bill*)

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Government
Publications

BILL 24

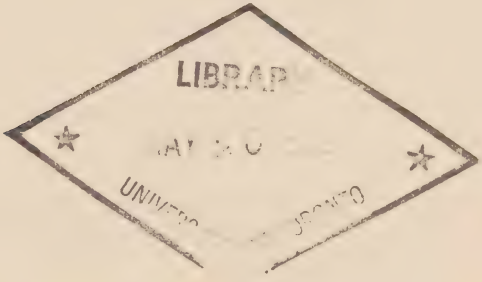
Private Member's Bill

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to amend The Ontario Human Rights Code

MR. CASSIDY



TORONTO
PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

Explanatory Note

The purpose of the Bill is to prohibit discrimination in the rental, sale, or occupancy of housing accommodation against families with children or against any person because of their age. The Bill is intended to stop the increasing practice of establishing adult only buildings, which is particularly harmful to families because they have higher expenses and more need for living space than single people and couples and are therefore at an economic disadvantage in seeking housing accommodation.

In order to balance the obligation to accept children, the Bill permits landlords to set a limit on the number of occupants of any dwelling unit provided that the limit is not less than one person per room. Housing that is limited to senior citizens aged 60 and over is also exempted.

BILL 24 **1975**

An Act to amend The Ontario Human Rights Code

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 3 of *The Ontario Human Rights Code*, being chapter 318 of the Revised Statutes of Ontario, 1970, as re-enacted by the Statutes of Ontario, 1972, chapter 119, section 4, is amended by adding thereto the following subsections: s. 3, amended

(3) Subject to subsection 4, no person, directly or indirectly, alone or with another, by himself or by the interposition of another, shall deny any person occupancy of any housing accommodation, Discrimination prohibited because of age or children

(*a*) because of the age of such person; or

(*b*) because such person has dependent children who would be sharing the housing accommodation with him.

(4) The owner of housing accommodation may impose a limit on the number of occupants of each dwelling unit within the building, subject to the following conditions, Limit on occupants

(*a*) the limit shall set a maximum number of occupants per room; and

(*b*) the limit shall be applied equally to all dwelling units of the same size or type within the building; and

(*c*) the limit shall not be less than one person for each room within the housing accommodation to be occupied, but no kitchen, bathroom, or enclosed area that is unfinished or unheated shall be counted as a room.

Application of subs. 3

(5) Subsection 3 does not apply to housing accommodation where the occupancy of all the housing accommodation in a building is restricted to individuals who are of the age of 60 or older.

Application to housing accommodation and condominiums

(6) This section applies to the sale of any housing accommodation as well as occupancy and rentals and also applies to the sale or occupancy of condominium housing accommodation.

Commencement

2. This Act comes into force on the day it receives Royal Assent.

Short title

3. This Act may be cited as *The Ontario Human Rights Code Amendment Act, 1975*.

An Act to amend
The Ontario Human Rights Code

1st Reading

March 26th, 1975

2nd Reading

3rd Reading

Mr. Cassidy

(*Private Member's Bill*)

1975

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Government
Publications

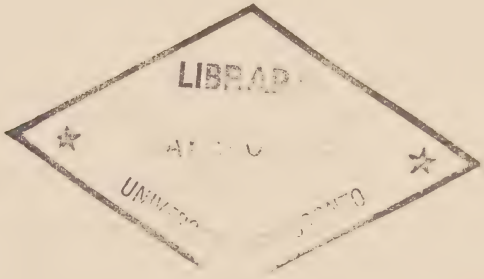
BILL 25 **Private Member's Bill**

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to provide for the Controlling of Hours in Retail Establishments

MR. EDIGHOFFER



TORONTO
PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

Explanatory Note

The purpose of the Bill is to provide for uniform holidays and business hours for retail establishments throughout the Province.

BILL 25 **1975**

An Act to provide for the Controlling of Hours in Retail Establishments

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

Interpretation

1. In this Act, "retail establishment" means any establishment or place where goods are sold or offered for sale at retail.

Administration

2. The Minister of Consumer and Commercial Relations is responsible for the administration of this Act.

Excluded establishments

3. This Act does not apply to,

(*a*) a retail establishment or that part of a retail establishment whose main activity is the sale of,

(i) newspapers or periodicals,

(ii) tobacco or articles required for the use of tobacco,

(iii) meals,

(iv) goods to be consumed on the premises, including delicatessen products,

(v) pastries, confectionery or dairy products,

(vi) pharmaceutical, hygienic or sanitary products,

(vii) gasoline, motor oil or fuel oil,

(viii) trailers or boats,

(ix) agricultural machinery, or

(x) flowers or farm produce from stands;

R.S.O. 1970, c. 249

(*b*) a government store as defined in *The Liquor Control Act*;

R.S.O. 1970, cc. 371, 78

(*c*) a retail establishment in a provincial park established under *The Provincial Parks Act*, a conservation area established under *The Conservation Authorities Act* or a park under the management of The Niagara Parks Commission or The St. Lawrence Parks Commission;

(*d*) a retail establishment or that part of a retail establishment where goods are sold only as accessory to services rendered in carrying out a contract of lease; or

(*e*) a retail establishment in a tourist or resort community designated in the regulations.

Days when customer not admitted

4.—(1) No customer shall be admitted to a retail establishment on,

(*a*) New Year's Day;

(*b*) Good Friday;

(*c*) Easter Monday;

(*d*) Victoria Day;

(*e*) Dominion Day;

(*f*) Civic Holiday;

(*g*) Labour Day;

(*h*) Thanksgiving Day;

(*i*) Christmas Day; or

(*j*) the 26th day of December before 1.00 o'clock in the afternoon.

Idem

(2) Except for those days listed in clauses *b*, *c* and *g*, where any day listed in subsection 1 falls on a Sunday, the day next following is in lieu thereof a day when no customer shall be admitted to a retail establishment.

Hours when customer not admitted

5.—(1) Except from the 1st day of December to the 31st day of December, no customer shall be admitted to a retail establishment,

(*a*) before 8.00 o'clock in the morning; or

(*b*) after 6.00 o'clock in the evening,

on Monday, Tuesday, Wednesday or Saturday.

(2) No customer shall be admitted to a retail establishment, Idem

(*a*) before 8.00 o'clock in the morning; or

(*b*) after 10.00 o'clock in the evening,

on a Thursday or Friday.

6. No customer shall remain in a retail establishment for more than thirty minutes after the hour after which it is forbidden to admit customers under section 5. Time limit for customers

7. Every person who contravenes any provision of this Act is guilty of an offence and on summary conviction is liable to a fine of not more than $1,000. Offence

8. The Lieutenant Governor in Council may make regulations designating tourist and resort areas for the purpose of clause *e* of section 3. Regulations

9. This Act comes into force on the 1st day of May, 1975. Commencement

10. This Act may be cited as *The Retail Establishment Business Hours Act, 1975*. Short title

An Act to provide
for the Controlling of Hours in
Retail Establishments

1st Reading

March 26th, 1975

2nd Reading

3rd Reading

Mr. Edighoffer

(*Private Member's Bill*)

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Government
Publications

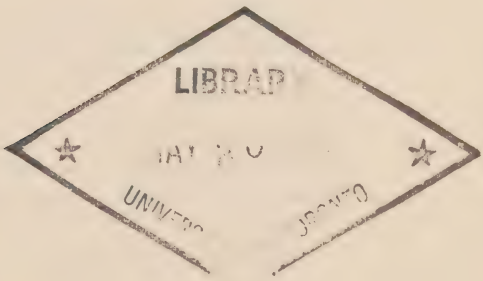
BILL 26 Private Member's Bill

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to provide for Rent Control and Security of Tenure

MR. CASSIDY



TORONTO
PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

Explanatory Note

The purpose of the Bill is to set guidelines to govern rent determinations and to provide tenants with security of tenure.

Starting from the historical rents that prevailed on December 31, 1974, rent increases for residential accommodation in major Ontario cities should be justified only in relation to increases in costs and not in relation to scarcity, the increase in rents on new accommodation, or speculative factors.

The intention is that most rent settlements would continue to be made without reference to government, but that the Ontario Landlord and Tenant Tribunal established in the Act, as well as the network of rent regulation officers located in major cities around the Province, would be available to tenants or to landlords in order to mediate or to resolve questions of rent and the relations between landlords and tenants.

A tenant or landlord could apply to the rent regulation officer for informal conciliation in cases where there was a dispute with the other party over the level of rent or over other terms of a lease. If informal conciliation failed, then the rent officer could examine the landlord's books, consider the case put by the two sides, and make a rent determination. Should either party disagree, they could appeal the rent officer's decision to the Ontario Landlord and Tenant Tribunal which would make a final binding decision within thirty days.

The second major principle is this: In order to protect their bargaining rights and to bring tenants' position closer to the dignity enjoyed by home-owners, a tenant who fulfilled his normal obligations would be guaranteed security of tenure. No order of eviction or termination of lease would be effective without the approval of the tribunal, and the grounds for an eviction or termination of lease will be limited to wilful non-payment of rent, undue nuisance, undue damage to the landlord's property, or where the landlord or a relative wishes to occupy the property (this right may only be exercised once every five years, and on the demonstration of need).

Tenants would be empowered to exercise their rights under the Act as groups as well as individually.

BILL 26 **1975**

An Act to provide for Rent Control and Security of Tenure

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

PART I

INTERPRETATION

1. In this Act, Interpretation

(*a*) "landlord" includes a lessor, owner or person giving or permitting the occupation of premises;

(*b*) "rent" means payment of any kind to a landlord for the provision of accommodation and any services relating to that accommodation;

(*c*) "rent determination" means the fixing of a dollar value for rent and shall be deemed to take place at the commencement of a new tenancy, the signing or renewal of a lease, the transfer of a lease or where there is a change in the amount of rent, for a rent period;

(*d*) "residential premises" means a premises used for residential purposes and includes a furnished room except where the furnished room is in a premises where a landlord is renting less than three furnished rooms;

(*e*) "tenant" includes a lessee, occupant or subtenant;

(*f*) "Tribunal" means the Ontario Landlord and Tenant Tribunal established under this Act.

PART II

Application

Application

2.—(1) Subject to subsection 2, this Act applies to all premises on which rent is paid where the premises is located in a municipality having a population of more than 100,000 persons.

Idem

(2) The jurisdiction and powers of the director, the rent regulation officer, and of the Tribunal shall be effective in municipalities with a population of less than 100,000 where the municipal council has, by by-law, declared its intention to permit the director and the Tribunal to operate, but any repeal of such by-law shall not have effect for five years from its passage or for a period of one year of the passage of the repeal by-law, whichever period is greater.

PART III

Rent Regulation

Director

3.—(1) There shall be a rent regulation director who shall be appointed by the Lieutenant Governor in Council.

Powers and duties

(2) The director shall exercise the powers and shall discharge the duties conferred and imposed upon him by this Act and the regulations under the supervision of the Attorney General.

Rent regulation officer

(3) A rent regulation officer or officers shall be appointed with an office in each municipality where rent regulation applies.

Duties of a rent regulation officer

(4) A rent regulation officer shall,

(*a*) advise landlords and tenants in tenancy matters;

(*b*) receive complaints and seek to mediate disputes between landlords and tenants;

(*c*) disseminate information for the purpose of educating and advising landlords and tenants concerning rental practices, rights and remedies;

(*d*) upon written application from a landlord or tenant make a rent determination based on the principles set out in this Act.

4. A rent regulation officer may, with the written consent of a landlord and tenant, exercise all the powers conferred under this Act to the Tribunal, provided that a decision made by a rent regulation officer under this section shall be communicated in writing to both parties and may be appealed within fifteen days to the Tribunal. Rent determination by a rent regulation officer

5. Where a rent regulation officer is making a rent determination or acting under section 3, he shall have free access to any accounts, financial statements, mortgages or any other information necessary in order to verify statements submitted by the landlord or the tenant and upon submission to the rent regulation officer or the Tribunal, such statements shall also be submitted to the other contending parties. Access to accounts, etc.

6. A record of every rent determination for a particular rented premises shall be submitted by the landlord to the rent regulation officer in the municipality in which the premises are located within five days of the making of the rent determination, and a copy of the rent determination together with a copy of the two immediately previous rent determinations, if such determinations took place, pertaining to the same premises shall be sent to both the landlord and the tenant. Record of rent determination

7. A landlord or a tenant may appeal in writing to the rent regulation officer within fifteen days of the receipt of notification given under section 5, and after notifying the two parties, the rent regulation officer shall make a new determination of rent within fifteen days of receipt of the appeal. Appeal

8.—(1) A rent determination made by a rent regulation officer or by the Tribunal shall be based on the principle that rents prevailing as of the 31st day of December, 1974, on a rented premises should be permitted to increase only because of proven increases in costs for maintenance, heating, supervision, utilities, the reasonably amortized costs of rehabilitation, and any other appropriate operating costs, that decreases in such costs, the withdrawal of services or the deterioration of the property may justify a reduction of rent, and that changes in rent may be justified by a shift in contractual obligations agreed upon between a landlord and a tenant. Permitted rent increases

(2) In the case of a dwelling rented for the first time after the 1st day of January, 1973, a rent determination shall be Idem

based on the principles set out in this section and may also be related to a fair return on the original capital cost of the dwelling.

Standard form of lease

9.—(1) All tenancies of more than three months duration shall conform to one of the standard lease forms as prescribed in the regulations and any change from the wording of a standard lease form or change from one standard lease form to another must be agreed to by both parties to the lease and such changes shall be reported to the local rent regulation officer in the same manner as a new rent determination.

Enforcement of a lease

(2) A lease on a residential premises shall be enforceable upon a written application to the Tribunal, which for the purposes of this section shall have all the powers of a county or district court.

Trust fund

10.—(1) Where a landlord fails to fulfil his covenants under a lease, a tenant may pay any rent due or owing into a trust fund supervised by the rent regulation officer in his municipality.

When money to be paid into trust fund

(2) A rent regulation officer shall pay to a landlord rents deposited in a trust fund under subsection 1 when,

(*a*) the landlord has fulfilled the covenants specified by the tenant;

(*b*) the rent regulation officer has determined the landlord has fulfilled the covenants that were specified by the tenant; or

(*c*) the rent regulation officer has determined that there was no breach of covenant by the landlord.

Appeal to Tribunal

(3) A decision of the rent regulation officer under this section may be appealed in writing to the Tribunal.

Rent determination by rent regulation officer

11.—(1) Where a landlord and a tenant are unable to agree to a lease or to a new rent determination, either party may seek a rent determination by application in writing to the local rent regulation officer who shall deliver his decision within fifteen days and no new rent determination under this section and no termination of lease shall take effect until fifteen days after the rent regulation officer has delivered his decision, and all such decisions may be appealed to the Tribunal upon notice within fifteen days of the decision of a rent regulation officer.

(2) On receipt of an appeal or request for a rent determination under section 6 or 9, the rent regulation officer shall notify both parties, shall meet with both parties or their representatives, and shall submit or give access to both parties to any written information that either submits pertaining to the rent determination. Notice to parties

12. Every clause in a lease directly or indirectly intended to vary the rent during the course of a lease is without effect. Clause to vary rent invalid

13.—(1) No landlord shall refuse a tenancy by reason of race, creed, sex, colour, nationality, ethnic origin, place of birth, language, age or marital status, source of income or political affiliation. No refusal for race, sex, colour, etc.

(2) No landlord shall change the rights of a lessee by reasons of an increase in the number of occupants of a dwelling unless the space of the dwelling warrants it. Change in rights of lessee

(3) No landlord shall refuse a tenancy to a person by reason of the number of persons intending to occupy a dwelling, unless the space of the dwelling warrants it. Refusal of tenancy due to space

(4) For the purposes of this section, no limitation of space shall be deemed to apply where the space available in the rented premises exceeds 250 square feet for each adult and 125 square feet for each child under the age of eighteen occupying or intending to occupy the premises. Idem

(5) Notwithstanding subsection 1, a landlord may restrict occupancy in a building to tenants aged sixty and over. Idem

14. The rent regulation officer in each municipality covered by this Act shall maintain a record of all rent determinations notified to him for rented premises in that particular municipality and shall make available the records for a particular building to any *bona fide* tenant of that building during normal business hours. Record to be kept of rent determinations

15. No rent increase applicable within a particular year shall exceed 5 per cent of the rent determination recorded in the previous year, or the last previous rent determination if that was earlier than the previous year, notwithstanding any evidence of increased expenses or rehabilitation costs submitted by the landlord. Rent increase limited to 5 per cent

16. The payment of a capital sum at the commencement of a new tenancy is deemed to be an advance payment of rent and no tenant shall be liable to begin paying rent until Payment of capital sum deemed advance on rent

the month after the month in which the cumulated rent that would otherwise be payable under the lease exceeds the amount of the capital payment that has been made to the landlord or to his agent.

Access to statements on appeal by tenant

17. In the case of an application or appeal to the rent regulation officer or the Tribunal for rent determination, the tenant shall have access to any statements submitted by the landlord to justify the change in rent, and the landlord shall be obliged to supply to the tenant and to the rent regulation officer or Tribunal an annual statement of costs and expenses for the building demonstrating how costs have risen in relation to the particular unit concerned.

PART IV

Landlord and Tenant Tribunal

Tribunal

18.—(1) There shall be a Tribunal known as the Ontario Landlord and Tenant Tribunal composed of such members as are appointed under subsection 5.

Duties of Tribunal

(2) The Tribunal shall hear and decide,

(*a*) appeals of decisions made by rent regulation officers under this Act; and

(*b*) all other such matters referred to it under this Act or any other Act.

Decisions of Tribunal binding

(3) All decisions of the Tribunal shall be binding and subject to appeal only on points of law, provided that the Tribunal may consider a rent determination again no less than one year from the time it has previously been brought before the Tribunal and may reconsider any other matter upon re-application by the landlord or tenant.

Tribunal may levy costs

(4) Where the Tribunal determines that a landlord or a tenant is using the Tribunal for the purposes of harassment, the Tribunal may levy all or part of the costs of hearings caused or instigated by that landlord or tenant.

Appointment of members of Tribunal

(5) Subject to subsection 6, the Lieutenant Governor in Council shall appoint no less than ten and no more than twenty members to the Tribunal and shall appoint one of such members, who shall be a full-time member, as Chairman and may appoint one or more other such members as Vice-Chairmen.

Term of office

(6) Members shall serve for a fixed term of five years and may be reappointed once.

(7) No less than nine members of the Tribunal shall be full-time members. Nine members to be full-time

(8) Appointments to the Tribunal shall be broadly representative of the people of Ontario with particular regard to income, property tenure, geographical distribution and sex, and every member on his appointment, and at the beginning of every year thereafter, shall file for public inspection with the Secretary of the Tribunal a full statement of the property interests, investments, and paid directorships or positions held by himself and his immediate family. Constitution of membership of Tribunal

(9) Three members of the Tribunal constitute a quorum and may exercise all the powers of the Tribunal. Quorum

(10) The Chairman shall have general supervision and direction over the conduct of the affairs of the Tribunal, and shall arrange the sittings of the Tribunal and assign members to conduct hearings as circumstances require. Chairman to have direction and supervision

(11) The Tribunal may retain experts to advise it in respect of any particular matter coming before it or in respect of general matters respecting rental accommodation and landlord and tenant relations. Retention of experts

(12) The Tribunal shall prepare and periodically publish a summary of its decisions and the reasons therefor, and a file of these summaries shall be maintained accessible to the public at every rent regulation office. Publishing of decision of Tribunal

19. Appeals under this Act shall be made by written notice and the Tribunal shall send a copy of the notice of appeal to all interested parties and shall fix a hearing date and place in or near the municipality where the rented dwelling is located and shall hold its hearing within fifteen days of receipt of the appeal. Appeals to be made by written notice

20.—(1) On any appeal, the Tribunal shall deliver its decision within thirty days of the hearing and no eviction, rent increase, or other change affecting the status of the tenant or the landlord shall be made until the decision of the Tribunal has been notified to both parties by registered mail. Decision in 30 days

(2) The Tribunal shall have the power to order payments by a landlord to a tenant in case of breach of covenant in the lease or overpayment of rent, and shall have the power to order payment of rent due or owing by a tenant to a landlord. Tribunal can order payments

PART V

Security of Tenure

Security of tenure

21. In order to guarantee security of tenure to tenants who fulfill their normal obligations,

(*a*) no order of eviction shall be enforceable without the approval of the Tribunal; and

(*b*) every lease of a residential premises for a fixed period shall be, at the expiry of its term, extended of right as a month-to-month tenancy unless the parties agree to a different extension; and

(*c*) a lessor wishing to terminate a lease without the agreement of the lessee must give notice of the grounds for the termination in writing and seek a hearing from the Tribunal no less than thirty days before the expiry of the lease.

Grounds for eviction or termination

22.—(1) No eviction or termination of lease shall be approved by the Tribunal except on the grounds of,

(*a*) wilful non-payment of rent for more than fifteen days after the expiry of the rent period for which the rent was due;

(*b*) persistent and undue nuisance created by the tenant to neighbours or to the community;

(*c*) proven evidence that the tenant is using the premises for an illegal activity;

(*d*) permanent overcrowding of the premises according to the standards set out or accepted by the landlord at the commencement of the tenancy;

(*e*) undue damage to the rented property or its environs caused by the tenant or other occupants of the rented premises;

(*f*) need demonstrated, by the landlord or a relative of the landlord, to use the premises provided that this right may be exercised no more than once every five years.

Tribunal not bound

(2) The Tribunal shall not be bound to approve an eviction where these grounds exist and may order alternative arrangements to settle the dispute between landlord and tenant.

23. A change of use or intention to demolish a rented premises is not grounds for eviction or termination of lease, but the Tribunal may approve an eviction or termination of lease if satisfactory alternative arrangements have been made by was of compensation or by way of finding alternative accommodation for the tenant and where an eviction or termination of lease is granted under this section, the Tribunal shall order the landlord to make those alternative arrangements for the tenant which it considers to be satisfactory. Change of use or demolition of premises

24. Where a lessee does not wish to extend a lease he shall give notice in writing to the lessor not less than thirty days before the expiry of the term of the lease and the landlord shall not oppose a non-extension of a lease under this section. Lessee not wishing to extend a lease

25. Where a lessor does not wish to extend a lease or wishes to increase the rent or change any other condition for the renewal or extension of a lease, he shall give notice in writing to the lessee at least thirty days before any expiry of the term of the lease, and shall inform the tenant of his right to appeal in a form as prescribed in the regulation. Lessor not wishing to extend a lease

26. A lessee wishing to remain on the premises at the termination of a current lease may make an opposition to the notice of non-extension within fifteen days of the notice or, in exceptional circumstances, after the expiry of fifteen days of the notice. Remaining on premises after notice of non-extension

27. Where a notice of termination of a lease has been opposed, the termination shall take effect only after application to the Tribunal and after its approval is granted. Termination by Tribunal

28. Any period of notice or of appeal established under this Act may be extended by the Tribunal when the extension is justified by exceptional circumstances. Extension of time for notice or appeal

29.—(1) Any landlord in a municipality covered by this Act who evicts a tenant or terminates a lease contrary to the provisions of this Act is guilty of an offence and liable on summary conviction to a fine not exceeding $10,000. Offence

(2) Except for a landlord referred to in subsection 1, any person who knowingly contravenes a section of this Act is guilty of an offence and liable on summary conviction to a fine not exceeding $1,000. Idem

(3) For the purposes of this section, the Tribunal shall have all the powers of a provincial court. Tribunal has power of provincial court

30. For the purposes of this Act, any group of tenants renting dwellings from the same landlord may, by a signed Right of a group of tenants to act as a single tenant

declaration signed by each tenant in the group and filed with the rent regulation officer in the municipality, have all the powers and responsibilities of an individual tenant, including the right to negotiate with a landlord and the right to make applications or appeals as a group to a rent regulation officer or to the Tribunal.

Regulations

31. The Lieutenant Governor in Council may make regulations,

(*a*) prescribing the form of notice for appeals provided in this Act; and

(*b*) prescribing standard forms of leases.

Commencement

32. This Act comes into force on the 1st day of April, 1975.

Short title

33. This Act may be cited as *The Ontario Rent Control and Security of Tenure Act, 1975*.

An Act to provide for
Rent Control and Security
of Tenure

1st Reading

March 26th, 1975

2nd Reading

3rd Reading

MR. CASSIDY

(*Private Member's Bill*)

1975

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-B56

Publications

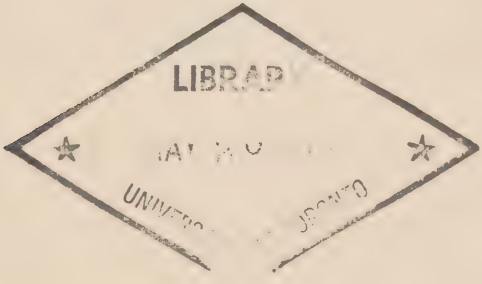
BILL 27 **Private Member's Bill**

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to amend The Landlord and Tenant Act

MRS. CAMPBELL



TORONTO
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Explanatory Note

The amendment provides for mandatory Landlord and Tenant Review Boards in municipalities with populations of over 50,000 persons.

These Boards would have the power to determine the amount of rents and to order tenants removed from premises for non-payment of rent or wilful damage to premises.

BILL 27 **1975**

An Act to amend The Landlord and Tenant Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 110 of *The Landlord and Tenant Act*, being chapter 236 of the Revised Statutes of Ontario, 1970, is repealed and the following substituted therefor: s. 110, re-enacted

110.—(1) In this section, Interpretation

(*a*) "Board" means a Landlord and Tenant Review Board established under this Act;

(*b*) "municipality" means a local municipality and includes a metropolitan municipality and a regional municipality but does not include an area municipality thereof.

(2) The council of every municipality, where the population of the municipality is greater than 50,000 persons, shall by by-law establish a Landlord and Tenant Review Board, subject to the approval of the Lieutenant Governor in Council. By-laws to establish Landlord and Tenant Review Board

(3) The council of every municipality referred to in subsection 2 shall appoint five members to the Board, one of whom shall be chairman and one of whom shall be vice-chairman, except that no elected official of the municipality may be a member of the Board. Composition of Board

(4) At least three members of a board, one of whom shall be the chairman or vice-chairman, constitute a quorum. Quorum

(5) The chairman shall have general supervision and direction over the conduct of the affairs of a Board. Duties of chairman

Objects and powers

(6) The objects of a Board are and it has the power,

(*a*) to advise landlords and tenants in tenancy matters;

(*b*) to receive complaints and seek to mediate disputes between landlords and tenants;

(*c*) to disseminate information for the purpose of educating and advising landlords and tenants concerning rental practices, rights and remedies;

(*d*) to receive and investigate complaints of conduct in contravention of legislation governing tenancies;

(*e*) to conduct hearings concerning rent increases and to order landlords to decrease or freeze rents;

(*f*) to conduct hearings concerning vandalism and damage to premises by tenants and to order a tenant to be removed from a premises where wilful damage has occurred;

(*g*) to conduct hearings concerning rent arrears by a tenant where the arrears are for two months or more, and to order a tenant to be removed from a premises where the arrears in rent are substantial.

Time and place of hearings

(7) Every Board appointed under subsection 2 shall meet at least twelve times a year at such places to be determined by the Board.

Application by tenant

(8) Where a tenant is in possession of residential premises and his continuing in possession is subject to the payment of an increased rent, the tenant may apply to a Board for a review of the amount of the rent.

Application by landlord

(9) A landlord may apply for a review and for an order to have a tenant evicted where the tenant is in arrears of rent for more than two months or where the tenant has inflicted wilful damage on the premises.

Parties

(10) The landlord, the tenant and any other person specified by the Board are parties to the hearing.

Notice of hearing

(11) The Board shall fix a date for the hearing and shall serve notice of the hearing on the parties at least ten days before the day fixed.

Application of 1971, c. 47

(12) Sections 6 to 23 of *The Statutory Powers Procedure Act, 1971* apply to a hearing under this section.

(13) A Board shall after a hearing determine, Rental and eviction orders

(*a*) the amount of rent that is reasonable in all the circumstances and may order that the rental agreement be continued at the rental mentioned in the order; or

(*b*) whether or not a tenant should be removed from a premises because of non-payment of rent or wilful damage to the premises,

as the case may be.

(14) A landlord shall not terminate a rental agreement except for cause while an application to a Board under this section is pending. Termination of tenancy while application pending

(15) In the case of a weekly or monthly tenancy, the Board may order that the landlord shall not terminate the tenancy, except for cause, for a period named in the order, not exceeding one year. Termination of periodic tenancy after order

2. This Act comes into force on the 1st day of May, 1975. Commencement

3. This Act may be cited as *The Landlord and Tenant Amendment Act, 1975*. Short title

An Act to amend
The Landlord and Tenant Act

1st Reading

April 7th, 1975

2nd Reading

3rd Reading

MRS. CAMPBELL

(*Private Member's Bill*)

1975

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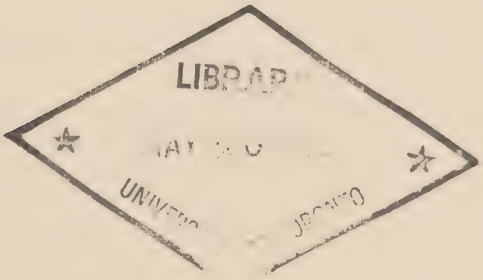
BILL 28

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to provide for the Payment of Grants to First Time Home Buyers

THE HON. W. D. MCKEOUGH
Treasurer of Ontario and Minister of Economics
and Intergovernmental Affairs



TORONTO
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BILL 28 **1975**

An Act to provide for the Payment of Grants to First Time Home Buyers

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. In this Act, Interpretation

(*a*) "housing unit" means a unit suitable for permanent habitation that provides living, sleeping, eating and food preparation facilities for one family, with or without other essential facilities that are shared with other housing units, and includes,

(i) a house intended for human habitation that contains not more than two housing units,

(ii) a unit or proposed unit within the meaning of *The Condominium Act*, R.S.O. 1970, c. 77

(iii) a unit in the building of a co-operative housing corporation, and

(iv) a mobile home;

(*b*) "Minister" means the Minister of Revenue;

(*c*) "mobile home" means a housing unit that complies with the following standards prescribed by the Canadian Standards Association,

(i) C.S.A. Standard Z240.5 – 1971,

(ii) C.S.A. Standard Z240.1 – 1972,

(iii) C.S.A. Standard Z240.0 – 1973,

(iv) C.S.A. Standard Z240.3.1 – 1973, and

(v) C.S.A. Standard Z240.6.1 – 1973,

or with such other standards, or such variations of the standards mentioned in subclauses i to v as the Minister may approve;

(*d*) "period of eligibility" means the period from and including the 8th day of April, 1975, to and including the 31st day of December, 1975;

(*e*) "person" means a natural person who has attained the full age of eighteen years and does not include a corporation, partnership, syndicate, association or other organization of any kind;

(*f*) "prescribed" means prescribed by the regulations made under this Act;

(*g*) "purchase", where used with reference to a housing unit, means the acquisition of the housing unit for valuable consideration in an amount equal to its fair market value.

Application for grant

2.—(1) Where any person purchases or builds a housing unit in Ontario to be ordinarily inhabited as the principal residence by that person or that person and his spouse and children or dependants, he may apply to the Minister for a grant.

Where no grant to be made

(2) No grant shall be made to a person applying therefor where, at any time prior to the 8th day of April, 1975,

(*a*) that person or the spouse of that person owned, whether jointly with another person or otherwise, a housing unit that was ordinarily inhabited as the principal residence by that person or his spouse; or

(*b*) any other person who has an interest in the housing unit in respect of which the application for the grant is made, or the spouse of that person, owned, whether jointly with another person or otherwise, a housing unit that was ordinarily inhabited as the principal residence by that person or his spouse.

Idem

(3) No grant shall be made to a person applying therefor unless the legal and beneficial interest in the housing unit in respect of which application for the grant is made vests, as determined in the prescribed manner, in that person, whether jointly with another person or otherwise, during the period of eligibility.

(4) Not more than one grant shall be made under this Act to any person and no grant shall be made to any person, Proviso

(*a*) where the spouse of such person has received a grant under this Act;

(*b*) where any other person who has an interest in the property in respect of which the application is made has received a grant under this Act; or

(*c*) where the vendor of the housing unit in respect of which application for a grant is made, continues to inhabit the whole or any part of the housing unit as his principal residence.

(5) An application for a grant or for a supplementary grant under this Act shall be made on the form provided by the Minister. Form of application

3.—(1) Subject to subsections 2, 3 and 4 of section 2, the Minister may, on application therefor, make a grant in the amount of $1,000 to any person in respect of the purchase by him of a housing unit in Ontario inhabited or to be inhabited by that person, or by that person and his spouse and children or dependants, as his principal residence. Minister may make grants

(2) Subject to subsections 2, 3 and 4 of section 2, the Minister may, on application therefor, make a grant of $1,000 to any person in respect of a housing unit built by him in Ontario provided that the housing unit in respect of which the application is made, Idem

(*a*) has not been occupied at any time prior to the 8th day of April, 1975; and

(*b*) is first ordinarily inhabited as the principal residence by that person or by that person and his spouse and children or dependants during the period of eligibility.

(3) No grant shall be paid under subsection 1 or 2 unless the application therefor has been received by the Minister on or before the 30th day of June, 1976. Idem

4. Where any person who receives a grant under section 3 continues to inhabit the housing unit as his principal residence for a period of twelve months from the day the legal and beneficial interest in the unit vested in him, as determined in the prescribed manner, he may apply to the Minister for a first supplementary grant and where Application

such person continues to inhabit the housing unit as his principal residence for a further twelve months he may similarly apply to the Minister for a second supplementary grant.

Minister may make supplementary grants

5.—(1) The Minister may, on application therefor, make a first supplementary grant and a second supplementary grant each in the amount of $250 to any person who meets the qualifications therefor as set out in section 4.

Idem

(2) No grant shall be paid under subsection 1 unless the application therefor has been received by the Minister on or before the 30th day of June, 1978.

Idem

(3) Where a person who has received a grant under section 3 dies prior to making application for a first or second supplementary grant under subsection 1, the Minister may, on application therefor, make a grant provided for in subsection 1 to the surviving spouse or co-owner who continues to inhabit the housing unit as his principal residence.

Grant not to be assigned

6. The Minister is not bound by any assignment of a grant made under this Act, by the person to whom the grant is payable.

Regulations

7.—(1) The Lieutenant Governor in Council may make regulations,

(*a*) prescribing the manner of determining when the legal and beneficial interest in a housing unit vests in a person for the purpose of determining eligibility for a grant under this Act;

(*b*) prescribing the evidence required to establish the entitlement of an applicant to a grant under this Act;

(*c*) generally for the administration of this Act.

Regulation may be made retroactive

(2) A regulation made under subsection 1 may be made effective retroactively to a date not earlier than the 8th day of April, 1975.

Offence

8. Every person who knowingly makes, participates in, assents to or acquiesces in the making of any false statement in an application for a grant under this Act, is guilty of an offence and on summary conviction is liable to a fine of not more than $2,000.

9. Where any person obtains a grant under this Act on the basis of an application that contains any false or misleading statement, the amount of such grant shall be deemed to be a debt due to the Crown and may be recovered by action in any court of competent jurisdiction. Recovery of grant made on basis of false application

10. The moneys required for the purposes of this Act shall, until the 31st day of March, 1976, be paid out of the Consolidated Revenue Fund and thereafter shall be paid out of the moneys appropriated therefor by the Legislature. Moneys

11. This Act shall be deemed to have come into force on the 8th day of April, 1975. Commencement

12. This Act may be cited as *The Ontario Home Buyers Grant Act, 1975*. Short title

BILL 28

An Act to provide for the Payment of Grants to First Time Home Buyers

1st Reading

April 7th, 1975

2nd Reading

April 15th, 1975

3rd Reading

April 17th, 1975

THE HON. W. D. MCKEOUGH
Treasurer of Ontario and
Minister of Economics and
Intergovernmental Affairs

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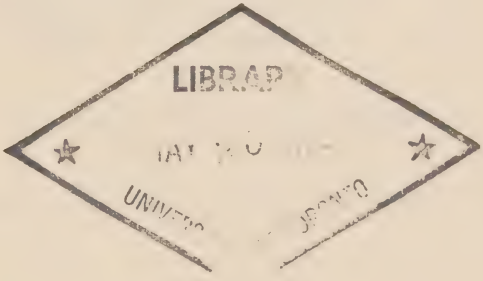
BILL 29

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to authorize the Raising of Money on the Credit of the Consolidated Revenue Fund

THE HON. W D. MCKEOUGH
Treasurer of Ontario and Minister of Economics and
Intergovernmental Affairs



TORONTO
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BILL 29 **1975**

An Act to authorize the Raising of Money on the Credit of the Consolidated Revenue Fund

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

Loans up to $1,400,000,000 R.S.O. 1970, c. 166

1.—(1) The Lieutenant Governor in Council is hereby authorized to raise from time to time by way of loan in any manner provided by *The Financial Administration Act* such sum or sums of money as are considered necessary for discharging any indebtedness or obligation of Ontario, for making any payments authorized or required by any Act to be made out of the Consolidated Revenue Fund or for reimbursing the Consolidated Revenue Fund for any moneys expended for any of such purposes, provided that the principal amount of any securities issued and temporary loans raised under the authority of this Act shall not exceed in the aggregate $1,400,000,000.

Idem

(2) The sum or sums of money authorized to be raised by subsection 1 for the purposes mentioned therein shall be in addition to all sums of money authorized to be raised by way of loan under any other Act.

Commencement

2. This Act comes into force on the day it receives Royal Assent.

Short title

3. This Act may be cited as *The Ontario Loan Act, 1975*.

BILL 29

An Act to authorize
the Raising of Money on the
Credit of the Consolidated
Revenue Fund

1st Reading

April 7th, 1975

2nd Reading

April 17th, 1975

3rd Reading

April 17th, 1975

THE HON. W. D. MCKEOUGH
Treasurer of Ontario and
Minister of Economics and
Intergovernmental Affairs

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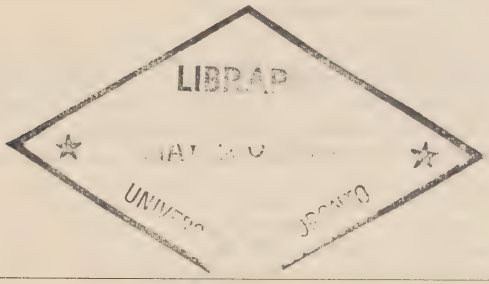
Government
Publications

BILL 30 **Government Bill**

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to amend The Retail Sales Tax Act



THE HON. A. K. MEEN
Minister of Revenue

(Reprinted as amended by the Committee of the Whole House)

TORONTO
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Explanatory Notes

General

The major amendments proposed by this Bill are:

(*a*) Retail Sales Tax (other than the tax on alcoholic beverages, admission to places of amusement, and prepared meals over $4.00) is reduced from 7 per cent to 5 per cent from April 8 to December 31, 1975;

(*b*) Production machinery and equipment and construction machinery and equipment ordered after April 7, 1975 and before January 1, 1977 will be exempt from tax where delivery of the machinery or equipment is made before 1978;

(*c*) Commencing July 1, 1975, vendors registered under *The Retail Sales Tax Act* will be entitled to receive compensation equal to 3 per cent of tax collected by them or $500, whichever is the lesser. The $500 limitation applies to the period from July 1, 1975 to April 1, 1976 and to each twelve-month period thereafter;

(*d*) Effective April 8, 1975, the lien imposed by *The Retail Sales Tax Act* for tax collectable by a vendor will be removed, and any lien in force at that date will expire on July 1, 1975 unless a notice claiming the lien has been registered.

Section 1.—Subsection 1. The amendment clarifies that a sale does not include the distribution of property to shareholders on the winding-up or dissolution of a corporation.

Subsection 2. The definition of tangible personal property is expanded to include chattels that may be fixtures but that are rented separately from the real property to which they are affixed.

Section 2.—Subsection 1. The amendment effects a temporary reduction to 5 per cent of the 7 per cent rate of tax imposed on tangible personal property and taxable services. The 10 per cent rate of tax on alcoholic beverages and certain prepared meals is not affected, nor is the tax imposed on admission to a place of amusement. The temporary reduction is effective only from April 8 to December 31, 1975.

BILL 30 **1975**

An Act to amend The Retail Sales Tax Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Paragraph 13 of section 1 of *The Retail Sales Tax Act*, being chapter 415 of the Revised Statutes of Ontario, 1970, is amended by adding at the end thereof "but 'sale' does not include the transfer of title to or possession of tangible personal property to the shareholders of a corporation as the result of the winding-up or dissolution of the corporation". s. 1, par. 13, amended

(2) Paragraph 15 of the said section 1 is repealed and the following substituted therefor: s. 1, par. 15, re-enacted

15. "tangible personal property" means personal property that can be seen, weighed, measured, felt or touched, or that is in any way perceptible to the senses, and includes natural gas, manufactured gas, and any chattel that is a fixture and for the use, possession or enjoyment of which a fee, charge or rent is paid that is not included in any fee, charge or rent paid for possession or occupation of the real property to which the chattel is affixed.

(3) The said section 1 is amended by adding thereto the following paragraph: s. 1, amended

18*a*. "Treasurer" means the Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs.

2.—(1) Section 2 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 23, section 2 and 1974, chapter 7, section 1, is further amended by adding thereto the following subsection: s. 2, amended

(3*a*) Notwithstanding subsections 1 and 3, during the period commencing on the 8th day of April, 1975 and ending Temporary reduction of tax under subss. 1, 3

with the 31st day of December, 1975, the tax imposed by subsections 1 and 3 shall be at the rate of 5 per cent of the fair value of the tangible personal property or taxable service respectively made liable to tax under the said subsections during such period.

s. 2 (7), amended

(2) Subsection 7 of the said section 2, as amended by the Statutes of Ontario, 1974, chapter 7, section 1, is further amended by adding at the commencement thereof "Subject to subsection 8".

s. 2 (8), re-enacted

(3) Subsection 8 of the said section 2, as re-enacted by the Statutes of Ontario, 1974, chapter 7, section 1, is repealed and the following substituted therefor:

Refund of tax

(8) Where a person has paid an amount under this Act as tax that is not payable as tax under this Act, such amount shall be refunded if, within two years following the date of payment of such amount, an application for the refund is made to the Minister and it is established within such two years to the satisfaction of the Minister that the amount that may be refunded was not payable as tax under this Act, and where the amount shown not to have been payable as tax under this Act was paid in the course of performing a contract under which a party to the contract, other than the person who paid such amount, reimbursed the person for such amount so paid, the amount that may be refunded under this subsection may be paid to such party.

Idem

(8*a*) Where, as the result of an assessment or reassessment or the final decision of a court in proceedings commenced under section 20, the person assessed or reassessed or the appellant, as the case may be, has overpaid the tax payable under this Act, the amount of such overpayment shall be refunded to him notwithstanding the limitations contained in subsection 8.

Extension of time

(8*b*) Where, within two years following the payment of an amount under this Act as tax that is not payable as tax, the person who paid such amount informs the Minister that a claim for a refund of such amount will be made, and further provides to the Minister evidence of the nature of the claim and an explanation satisfactory to the Minister of why the full particulars of the claim cannot be furnished in the proper form within such two-year period, the Minister may extend by not more than six months the two-year period mentioned in subsection 8.

s. 3 (1), re-enacted; s. 3 (2), repealed

3.—(1) Subsections 1 and 2 of section 3 of the said Act are repealed and the following substituted therefor:

Subsection 2. The amendment is consequential on the re-enactment of section 2 (8) of the Act.

Subsection 3. This amendment authorizes refunds to be made only where applied for within two years of the payment of the amount claimed as a refund. The limitation will not apply to overpayments resulting from a reassessment or from the decision of a court that tax was improperly paid. In special circumstances, the two-year limitation may be extended by six months.

SECTION 3. The amendments proposed in this section will permit the Minister to issue one permit to a vendor who transacts business at several places in Ontario. Formerly, a permit for each place of business was required, and the reporting system was unnecessarily complicated where one set of records was maintained for several places of business. The amendment to subsection 6 of section 3 of the Act will ensure that any customer can determine whether a vendor has a valid permit and what the number of that permit is. This will replace the requirement that the permit be publicly displayed at only one location in the vendor's place of business.

SECTION 4.—Subsection 1. The amendment clarifies that the exemption will depend on the use to be made of the irrigation equipment and drainage tiles rather than the occupation of the purchaser.

Subsection 2. The amendment is intended to clarify the wording of the exemption.

Subsection 3. The amendment temporarily exempts from tax machinery and equipment used in the production or manufacture of tangible personal property or in the construction industry. To obtain the exemption, a Machinery and Equipment Purchase Exemption Certificate must be completed by the purchaser and the vendor. In addition, the machinery must be ordered after April 7, 1975 and before January 1, 1977, and must be delivered before January 1, 1978. Where delivery will occur in 1977, and the value of the machinery or equipment in question is $15,000 or more, the exemption will only be available if a copy of the order is filed with the Minister prior to January 1, 1977.

The enactment of paragraph 49*a* will exempt from tax returnable milk bottles.

(1) No vendor shall sell any taxable tangible personal property or sell any taxable service or operate any place of amusement the price of admission to which is taxable unless he has applied for, and the Minister has issued to him, a permit to transact business in Ontario and the permit is in force at the time of such sale. Vendor permits

(2) Subsections 5 and 6 of the said section 3 are repealed and the following substituted therefor: s. 3 (5, 6), re-enacted

(5) A permit issued under subsection 1 is valid only for the vendor in whose name it is issued, and only for so long as the vendor therein named transacts business in Ontario or until the permit is suspended or cancelled, as the case may be. Limitation

(6) Every vendor shall keep at each location in Ontario where he transacts business a copy of the permit issued to him under subsection 1 and shall, upon the request of any purchaser, produce for such purchaser's inspection a copy of such permit. Production of permit

4.—(1) Paragraph 19 of subsection 1 of section 5 of the said Act is repealed and the following substituted therefor: s. 5 (1), par. 19, re-enacted

19. materials and equipment required for irrigation purposes, repairs to such equipment, and drainage tiles, when such materials, equipment or tiles are purchased by a person who, with respect to such purchase, provides to the vendor a written statement that such materials, equipment or tiles will be used exclusively in the business of farming by a person engaged in farming, and the statement shall be signed by the person engaged in farming and by whom such materials, equipment or tiles will be used.

(2) Paragraph 37 of subsection 1 of the said section 5 is repealed and the following substituted therefor: s. 5 (1), par. 37, re-enacted

37. dies, jigs, product-holding fixtures, moulds and patterns for any of them, tools attached to production machinery, and explosives and refractory materials, all as defined by the Minister and expended or used up in the process of manufacturing tangible personal property for sale or use.

(3) Subsection 1 of the said section 5, as amended by the Statutes of Ontario, 1972, chapter 21, section 1, 1973, chapter 23, section 4 and 1974, chapter 7, section 2, is further amended by adding thereto the following paragraphs: s. 5 (1), amended

49. machinery or equipment that, pursuant to a contract for the acquisition or rental of such machinery or equipment or pursuant to a direction for the fabrication or manufacture thereof made or given after the 7th day of April, 1975 and before the 1st day of January, 1977, is delivered after the 7th day of April, 1975 and before the 1st day of January, 1978 to the person by whom such machinery or equipment is to be used, if such machinery or equipment is, in the opinion of the Minister, to be used principally in,

(*a*) the process of manufacturing or producing tangible personal property for sale or use by the manufacturer or producer thereof; or

(*b*) the construction of capital works, buildings, structures, roads or similar projects when the value of any separate piece of machinery or equipment so used and for which exemption is claimed under this paragraph is not less than $500,

but no exemption may be claimed under this paragraph for any machinery or equipment,

(*c*) that has a fair value in excess of $15,000 and that is delivered during the year 1977 to the person by whom it is to be used for a purpose described in clause *a* or *b*, unless a copy of the contract for the acquisition or rental of such machinery or equipment or a copy of the direction for the fabrication or manufacture thereof has been, prior to the 1st day of January, 1977, furnished to the Minister or to an officer of the Ministry of Revenue designated by the Minister to receive copies of such contracts or directions;

(*d*) with respect to the sale, use or consumption of which there has not been properly completed by the vendor and the purchaser of such machinery or equipment (or by the purchaser thereof where the machinery or equipment is fabricated or manufactured by such purchaser for his own use and pursuant to a direction given by him) a Machinery and Equipment Purchase Exemption Certificate in the form and manner prescribed by the Minister;

(*e*) that is, in the opinion of the Minister, principally used in the production or provision of a taxable service;

Subsection 4. The amendment clarifies that the exemption depends on the use of property rather than the status of the purchaser.

Subsection 5. Provides an exemption for commercial vessels to be defined by the Minister, for repairs to such vessels, and for equipment or machinery purchased to refit such vessels. Vessels of all kinds of more than 500 tons gross are already exempt under the Act, and therefore the amendment applies only to smaller vessels.

SECTION 5. The amendment provides for the payment of compensation to vendors and to others who act as agents of the Minister in the collection of retail sales tax. The compensation for vendors is 3 per cent of the tax collected to a maximum of $500 in any twelve-month period or in the period from July 1, 1975 to April 1, 1976. Compensation for agents of the Minister who are not vendors will be determined by arrangement with the Minister so that the nature of the particular duties of each such agent can be taken into account in determining the compensation.

(*f*) the contract for the rental or acquisition of which or the direction for the fabrication or manufacture of which is, in the opinion of the Minister, made for the purpose of obtaining the exemption conferred by this paragraph in substitution for or as the result of the cancellation of a substantially similar contract entered into or direction made or given before the 8th day of April, 1975; or

(*g*) prescribed by the Minister to be excluded from the exemption conferred by this paragraph.

49*a*. returnable containers to be used to hold milk that is sold at a retail sale in Ontario.

(4) Paragraph 53 of subsection 1 of the said section 5 is repealed and the following substituted therefor: s. 5 (1), par. 53, re-enacted

53. equipment, as defined by the Minister, that is to be used by a religious institution exclusively in that part of its premises where religious worship or sabbath school is regularly conducted, and repairs to such equipment, but not including any equipment acquired for resale by a religious institution.

(5) Subsection 1 of the said section 5 is further amended by adding thereto the following paragraph: s. 5 (1), amended

66. vessels, as defined by the Minister that do not exceed 500 tons gross and that are operated for commercial purposes, repairs to such vessels, and machinery or equipment purchased to refit such vessels.

5. The said Act is amended by adding thereto the following section: s. 11, enacted

Compensation to vendors

11.—(1) For the period commencing on the 1st day of July, 1975 and ending with the 31st day of March, 1976, and thereafter for each twelve-month period commencing on the 1st day of April, there may be paid to each vendor holding a valid and subsisting permit issued under section 3 the lesser of,

(*a*) $500; and

(*b*) the aggregate of,

(i) 3 per cent of the tax collected by the vendor in such period and shown in a return that is made in accordance with this Act and the regulations and in which the tax shown to have been so collected is $67 or more,

(ii) $2 for each return with respect to tax collected by the vendor in such period that is made in accordance with this Act and the regulations and in which the tax shown to have been so collected exceeds $2 and is less than $67, and

(iii) the tax collected by the vendor in such period and shown on a return that is made in accordance with this Act and the regulations and in which the tax shown to have been so collected does not exceed $2,

as compensation for his services in collecting and remitting the tax imposed by this Act, and the vendor may deduct such compensation from the amount otherwise to be remitted to the Treasurer in accordance with section 10.

Compensation to other agents

(2) The Minister may enter into such arrangements as he considers expedient and proper with any person who collects tax by virtue of an authorization made under subsection 1 of section 8*a* for the payment of compensation to such person for his services in collecting and remitting the tax imposed by this Act, and such person may deduct the compensation payable to him from the amount otherwise to be remitted to the Treasurer in accordance with this Act and the regulations.

Idem

(3) No person accepting compensation under subsection 1 or 2 shall thus be made ineligible as a member of the Assembly.

s. 15 (3), re-enacted

6. Subsection 3 of section 15 of the said Act is repealed and the following substituted therefor:

Assessment from time to time

(3) The Minister may assess or reassess any tax collectable by a vendor or any tax payable by a purchaser under this Act within three years from the day such tax became collectable or payable, as the case may be, except that, where the Minister establishes that any vendor or purchaser has made any misrepresentation that is attributable to neglect, carelessness or wilful default, or has committed any fraud, in making a return or in supplying any information under this Act or in omitting to disclose any information, then the Minister may assess or reassess tax imposed by this Act at any time he considers reasonable.

s. 18 (2), repealed

7. Subsection 2 of section 18 of the said Act is repealed.

s. 18*a*, enacted

8. The said Act is further amended by adding thereto the following section:

Discharge of lien

18*a*. Where, prior to the 8th day of April, 1975, a first lien and charge arose or came into existence on any real

SECTION 6. The Minister's power to assess or reassess tax collectable or payable is limited to three years from the date when the tax should have been collected or paid. However, the limitation will not apply where the Minister establishes fraud or misrepresentation in the failure to collect or pay the tax.

SECTION 7. The imposition of liens on the property of vendors for tax collectable and penalties payable will cease as of April 8, 1975. Provisions to deal with liens in existence prior to April 8, 1975 are made in the next section of the Bill.

SECTION 8. The amendment provides that where a lien arose on real property prior to April 8, 1975 (the effective date of removing the lien provisions from the Act) such a lien will remain in force. However, as of July 1, 1975, all liens in force under the Act will cease to exist unless a notice of lien has, by that date, been registered against the real property in question. After that date, no liens will exist under *The Retail Sales Tax Act* except those for which a notice of lien has been registered.

SECTION 9. The amendment makes it clear that an appeal under *The Retail Sales Tax Act* becomes an action in the Supreme Court when the Minister has served his reply under section 21 of the Act.

SECTION 10. The deposit required with respect to the consumption of tangible personal property in Ontario pursuant to contracts with non-resident contractors is raised from 3 per cent to 4 per cent of the value of the contract, and non-resident contractor is defined to exclude corporations incorporated pursuant to the laws of Ontario.

SECTION 11. The amendments remove the prescribing of forms and records from the Lieutenant Governor in Council, and give that power to the Minister. In addition, the Minister is given specific authority to prescribe, define or determine matters that the Act requires him to define, prescribe or determine. Finally, the amendments provide for the making of retrospective regulations as is the case in other taxing statutes.

property by virtue of subsection 2 of section 18 as it existed before such day, such real property is, upon the 1st day of July, 1975, absolutely discharged from such first lien and charge then remaining in force unless, prior to the 1st day of July, 1975, there is registered in the proper land registry office a notice claiming such first lien and charge.

9. Subsection 1 of section 22 of the said Act is amended by striking out "20" in the second line and inserting in lieu thereof "21". s. 22 (1), amended

10.—(1) Subsection 3 of section 34 of the said Act is amended by striking out "3" in the fifth line and in the eighth line and inserting in lieu thereof in each instance "4". s. 34 (3), amended

(2) Subsection 4 of the said section 34 is amended by striking out "3" where it occurs the second time in the third line and in the eighth line and inserting in lieu thereof in each instance "4". s. 34 (4), amended

(3) The said section 34 is amended by adding thereto the following subsection: s. 34, amended

(6) In this section, "non-resident contractor" does not include a company incorporated pursuant to the laws of Ontario. Interpretation

11.—(1) Clause *a* of subsection 2 of section 42 of the said Act is repealed. s. 42 (2) (*a*), repealed

(2) The said section 42, as amended by the Statutes of Ontario, 1973, chapter 23, section 8, is further amended by adding thereto the following subsections: s. 42, amended

(3) The Minister may make regulations, Idem

(*a*) prescribing, defining or determining anything that he is permitted or required by this Act to prescribe, define or determine;

(*b*) prescribing for the purposes of this Act or the regulations the records and information to be kept and maintained by a vendor, registered consumer or purchaser;

(*c*) prescribing any form required by this Act or the regulations or that, in his opinion, will assist in the administration of this Act, and prescribing how and by whom any form shall be completed and what information it shall contain.

Idem

(4) A regulation is, if it so provides, effective with reference to a period before it was filed.

Commencement

12. This Act shall be deemed to have come into force on the 8th day of April, 1975.

Short title

13. This Act may be cited as *The Retail Sales Tax Amendment Act, 1975*.

An Act to amend
The Retail Sales Tax Act

1st Reading

April 7th, 1975

2nd Reading

April 10th, 1975

3rd Reading

THE HON. A. K. MEEN
Minister of Revenue

(Reprinted as amended by the Committee of the Whole House)

1975

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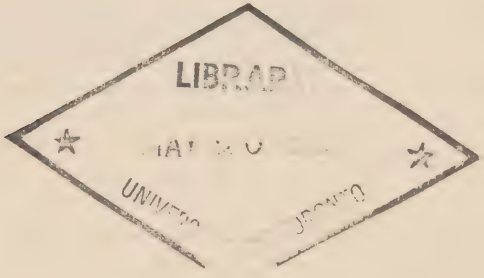
BILL 31 Government Bill

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to amend The Succession Duty Act

THE HON. A. K. MEEN
Minister of Revenue



TORONTO
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Explanatory Notes

The main amendments proposed in this Bill are:

(*a*) The size of an estate that can pass altogether free of duty is raised from $150,000 to $250,000, and the method of calculating those rates of duty that are based on the size of the estate is altered to provide that the non-dutiable portion of the estate is deducted at the highest rate level rather than, as formerly, at the lowest level of rates.

(*b*) Duty imposed on the shares of corporations that could qualify for a small business deduction under section 125 of the *Income Tax Act* (Canada), will be forgiven over a period of ten years or for such lesser period as the corporation continues to be owned by the family of the deceased and to carry on an active commercial business in Canada.

(*c*) The period over which duty on farming assets is forgiven is reduced from twenty-five to ten years.

(*d*) Where a gift of farming assets has been included in the estate of the deceased, the previously-available deduction of $50,000 is increased to $75,000, and the same provision is made applicable to shares of a small active business corporation.

All of these changes will take effect with respect to deaths occurring on or after April 8, 1975.

Section 1. The amendments provide that an estate the total size of which does not exceed $250,000 (rather than the present $150,000) will not attract succession duty regardless of the relationship to the deceased of those who benefit from the estate. In addition, the rates of duty that are based on the total value of the estate (its aggregate value) will be computed by deducting the proposed $250,000 exemption from the aggregate value of the estate before determining the rate applicable to that value. The method by which the Act now applies this exemption is that no rate of duty is applicable at the bottom of the rate schedule to the exempt amount, but where the estate exceeds the exempt amount, the rate of duty applicable to the excess is the normal rate of duty.

BILL 31 **1975**

An Act to amend The Succession Duty Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Subsection 1 of section 7 of *The Succession Duty Act*, being chapter 449 of the Revised Statutes of Ontario, 1970, as re-enacted by the Statutes of Ontario, 1971 (2nd Session), chapter 3, section 2 and amended by 1974, chapter 40, section 1, is further amended: s. 7 (1), amended

(*a*) by inserting after "value," in the ninth line "after making the deduction provided for in subsection 7,"; and

(*b*) by adding thereto the following clause:

(*a*) exceeds 1 dollar and does not exceed $150,000 —11 per cent of the amount of the aggregate value.

(2) Clause *bb* of subsection 1 of the said section 7 is repealed and the following substituted therefor: s. 7 (1) (*bb*), re-enacted

(*bb*) exceeds $250,000 and does not exceed $300,000— 6½ per cent plus 1/50 of 1 per cent for each full $2,000 by which the amount exceeds $250,000.

(3) Subsection 5 of the said section 7, as amended by the Statutes of Ontario, 1971 (2nd Session), chapter 3, section 2 and 1974, chapter 40, section 1, is further amended by inserting after "value," in the fourteenth line "after making the deduction provided for in subsection 7,". s. 7 (5), amended

(4) Clause *a* of subsection 5 of the said section 7, as re-enacted by the Statutes of Ontario, 1974, chapter 40, section 1, is repealed and the following substituted therefor: s. 7 (5) (*a*), re-enacted

(*a*) exceeds 1 dollar and does not exceed $200,000—24 per cent of the amount of the aggregate value.

s. 7 (5) (*aa*), repealed

(5) Clause *aa* of subsection 5 of the said section 7, as re-enacted by the Statutes of Ontario, 1974, chapter 40, section 1, is repealed.

s. 7 (5) (*bb*), repealed

(6) Clause *bb* of subsection 5 of the said section 7, as re-enacted by the Statutes of Ontario, 1971 (2nd Session), chapter 3, section 2, is repealed.

s. 7 (5) (*cc*), re-enacted

(7) Clause *cc* of subsection 5 of the said section 7, as re-enacted by the Statutes of Ontario, 1971 (2nd Session), chapter 3, section 2, is repealed and the following substituted therefor:

(*cc*) exceeds $250,000 and does not exceed $300,000—8½ per cent plus 1/50 of 1 per cent for each full $2,000 by which the amount exceeds $250,000.

s. 7 (6), amended

(8) Subsection 6 of the said section 7, as amended by the Statutes of Ontario, 1971 (2nd Session), chapter 3, section 2 and 1974, chapter 40, section 1, is further amended by inserting after "value," in the sixth line "after making the deduction provided for in subsection 7,".

s. 7 (6) (*a*), re-enacted

(9) Clause *a* of subsection 6 of the said section 7, as re-enacted by the Statutes of Ontario, 1974, chapter 40, section 1, is repealed and the following substituted therefor:

(*a*) exceeds 1 dollar and does not exceed $200,000—35 per cent of the amount of the aggregate value.

s. 7, amended

(10) The said section 7 is amended by adding thereto the following subsection:

Reduction in aggregate value for rate purposes

(7) For the purpose of determining the applicable rate of duty under clauses *a* to *l* of subsection 1, clauses *a* to *f* of subsection 5 and clauses *a* to *h* of subsection 6, the expression "aggregate value" in subsections 1, 5 and 6 means the aggregate value determined in accordance with clause *a* of section 1, minus the lesser of,

(*a*) the amount of such aggregate value so determined; and

(*b*) $250,000.

s. 7 (8) (*c*) (i), amended

(11) Subclause i of clause *c* of subsection 8 of the said section 7, as amended by the Statutes of Ontario, 1974, chapter 40, section 1, is further amended by striking out "$150,000" in the amendment of 1974 and inserting in lieu thereof "$250,000".

SECTION 2.—Subsection 1. The amendment in subsection 1 provides that, to be eligible for forgivable duty on farming assets, the interest of the deceased in a farming partnership must be in a partnership 95 per cent of the assets of which are farming assets. This applies to farming partnerships, the same test that is applied to farming corporations.

Subsection 2. The amendment clarifies the application of the clause by referring to the death of the deceased rather than to the deceased as still living.

Subsection 3. The amendment in subsection 3 reduces from twenty-five years to ten years the period over which forgivable duty on farming assets is to be discharged.

Subsection 4. The amendment in subsection 4 provides that, where a gift of farming assets is brought into the estate, a deduction from the aggregate and dutiable value of the estate of up to $75,000 will be given. The present deduction is $50,000, and the increase is being made to correspond with the exemption in *The Gift Tax Act, 1972*, for gifts of farming assets.

SECTION 3. This amendment adds to the Act section 17*c*, which provides for forgivable duty on the shares of a small active business corporation. The forgiveness of duty on these shares is similar to the forgiveness of duty on farming assets that is now provided for in the Act. A small active business corporation is a company incorporated in Canada or a province of Canada that carries on an active commercial business in Canada, that, at the death of the deceased, was qualified for a small business deduction under section 125 of the *Income Tax Act* (Canada) even though the qualified corporation may not have been able to utilize, for the fiscal year immediately preceding the death of the deceased, the deduction available to it. Finally, to be a small active business corporation, more than 50 per cent of the shares of the company must be owned by the deceased and members of his family. If, during the ten years over which duty may be forgiven, the small active business corporation ceases to carry on an active commercial business in Canada or ceases to have more than 50 per cent of its shares owned by members of the family of the deceased ordinarily resident in Canada, the uncancelled portion of the forgivable duty becomes payable, but provision is made to suspend this cancellation where the corporation ceases to carry on an active commercial business in Canada because of some circumstance beyond its control such as the expropriation of its property or the damage to or destruction of its property.

2.—(1) Subclause vi of clause *b* of subsection 1 of section 17*a* of the said Act, as enacted by the Statutes of Ontario, 1974, chapter 40, section 2, is amended by inserting after "partnership" in the second line ", 95 per cent of the assets of which are farming assets,". s. 17*a* (1) (*b*), amended

(2) Clause *f* of subsection 1 of the said section 17*a*, as enacted by the Statutes of Ontario, 1973, chapter 109, section 6, is amended by striking out "deceased then been living" in the seventh line and inserting in lieu thereof "the death of the deceased then occurred". s. 17*a* (1) (*f*), amended

(3) Subsection 4 of the said section 17*a* is amended by striking out "1/25" in the second line and inserting in lieu thereof "1/10" and by striking out "24" in the fourth line and inserting in lieu thereof "9". s. 17*a* (4), amended

(4) Clause *b* of subsection 11 of the said section 17*a* is repealed and the following substituted therefor: s. 17*a* (11) (*b*), re-enacted

(*b*) $75,000.

3.—(1) The said Act is amended by adding thereto the following section: s. 17*c*, enacted

17*c*.—(1) In this section, Interpretation

(*a*) "forgivable business duty" means,

(i) the duty levied on shares of a small active business corporation that are property passing on the death of the deceased to a member of the family of the deceased ordinarily resident in Canada, and

(ii) the duty levied on a member of the family of the deceased ordinarily resident in Canada or payable by him with respect to shares of a small active business corporation that are property passing to him on the death of the deceased or that are included in a disposition to him made by the deceased that does not come within clause *g* of subsection 1 of section 5,

but where forgivable business duty as hereinbefore defined is only part of the duty payable as a result of the death of the deceased by a member of the family of the deceased ordinarily resident in Canada, "forgivable business duty" means the proportion of

the total duty payable by that person that the value of the shares in the small active business corporation that are dutiable to him bears to the value of all property passing to him on the death of the deceased and of all dispositions to him from the deceased that do not come within clause *g* of subsection 1 of section 5;

(*b*) "member of the family", in addition to its meaning in clause *k* of section 1, includes such people as would be members of the family of the deceased if, at the time when the expression is being applied to them, they would have been members of the family of the deceased within clause *k* of section 1 had the death of the deceased then occurred;

(*c*) "small active business corporation" means a company,

(i) incorporated under the laws of Canada or a province of Canada,

(ii) that carries on in Canada an active commercial business (other than a business of an investment or financial nature that is not the making of loans or the trading or dealing in stocks, bonds, mortgages, bills, notes or other similar property) from which at least 75 per cent of its income is derived,

(iii) more than 50 per cent of the shares of which that confer on the holder thereof the right to vote are, at the date of the death of the deceased, owned either by the deceased or by a member or members of his family ordinarily resident in Canada, and

(iv) that, for the fiscal year ended immediately prior to the death of the deceased, qualified for a deduction under section 125 of the *Income Tax Act* (Canada) notwithstanding that no deduction is allowed under that section for the fiscal year by reason only that the amount determined under paragraph *a* or *b* of subsection 1 of that section is nil for the fiscal year.

1970-71, c. 63 (Can.)

Discharge of forgivable business duty

(2) Where the property passing on the death of the deceased or any disposition made by him that does not come within clause *g* of subsection 1 of section 5 includes shares of a

small active business corporation, the forgivable duty referable to those shares is payable only in accordance with this section and shall be reduced and discharged as hereinafter provided and upon the conditions hereinafter set forth.

Interest

(3) On all forgivable business duty that is neither paid nor discharged by operation of this section, interest is payable at the rate applicable to duty payable under subsection 1 of section 16.

Forgivable business duty to be discharged

(4) Subject to subsection 8, the forgivable business duty shall be reduced and discharged by an amount equal to 1/10 of that forgivable business duty on each of the first anniversary of the death of the deceased and the nine next succeeding anniversaries of his death, and all interest owing at the time of any reduction and discharge of forgivable business duty is cancelled by the reduction of duty, provided that, during the year preceding any reduction or discharge of forgivable business duty, more than 50 per cent of the voting shares of the small active business corporation continued to be held by members of the family of the deceased ordinarily resident in Canada and the corporation continued to carry on an active commercial business as described in subclause ii of clause *c* of subsection 1.

Forgivable business duty, when payable

(5) If, while any part of the forgivable business duty remains unpaid and undischarged,

(*a*) 50 per cent or more of the voting shares of the small active business corporation cease to be held by members of the family of the deceased ordinarily resident in Canada; or

(*b*) the small active business corporation ceases to carry on an active commercial business as described in subclause ii of clause *c* of subsection 1,

the part of the forgivable business duty that is unpaid and undischarged at the happening of any event referred to in clause *a* or *b* of this subsection is, subject to subsection 8, payable immediately upon the happening of any of the said events, and until fully paid bears interest at the rate applicable to duty payable under subsection 1 of section 16.

Exception

(6) Subject to subsection 8, if any event referred to in clause *a* or *b* of subsection 5 occurs before the second anniversary of the date of the death of the deceased, all the forgivable business duty owing by the person with respect to whom any such event occurred is immediately payable

with interest as hereinbefore provided in this section and notwithstanding that a part of that forgivable business duty was discharged by the operation of subsection 4.

Information to be furnished to the Minister

(7) The Minister may from time to time require any person to furnish to him information on any matter that, in the opinion of the Minister, is relevant in establishing that all the conditions laid down by this section have been and continue to be fulfilled by all persons by whom forgivable business duty is payable, and where a person who should furnish such information as the Minister requires refuses so to do, the Minister may demand from that person the forgivable business duty owing by him that is then unpaid and undischarged, and upon the demand in writing being made, the forgivable business duty owing is forthwith payable with interest at the rate applicable to duty payable under subsection 1 of section 16, but no demand under this subsection shall be made until the person thereby affected has been afforded an opportunity to appear before the Minister to show why the information was not provided by him as required.

Suspension of forgivable business duty

(8) Where, by reason of the destruction of, damage to, or expropriation of property of a small active business corporation, or by reason of some other event beyond the control of the corporation, it ceases to carry on an active commercial business as described in subclause ii of clause *c* of subsection 1, and the corporation satisfies the Minister that it intends to carry on an active commercial business as described in subclause ii of clause *c* of subsection 1 as soon as it can reasonably do so, the Minister may suspend any further reduction and discharge of the forgivable business duty then payable and undischarged for a period of not more than two years, and if the corporation, within the time during which such suspension is in force, commences to carry on an active commercial business as described in subclause ii of clause *c* of subsection 1, any reduction and discharge of forgivable business duty that might have been made during the period of the suspension shall be made as if no suspension had taken place, but if such active commercial business is not so commenced, the forgivable business duty owing at the beginning of the period of suspension shall be payable forthwith with interest thereon from the end of the period of suspension until the date of payment and at the rate applicable to duty payable under subsection 1 of section 16.

Small active business deduction

(9) Notwithstanding any provision of this Act to the contrary, where shares of a small active business corporation are property deemed to pass on the death of the deceased by subclause x of clause *r* of section 1 or are included in a

disposition or dispositions that do not come within clause *g* of subsection 1 of section 5, the aggregate and the dutiable value of such shares shall, for the purpose of computing the duty imposed by this Act, be reduced by an amount equal to the lesser of,

(*a*) the dutiable value of such shares before making the reduction required by this subsection; or

(*b*) $75,000.

4. This Act shall be deemed to have come into force on the 8th day of April, 1975, and applies to every case in which duty is imposed by *The Succession Duty Act* as a result of the death of a person dying on or after that day. Commencement

5. This Act may be cited as *The Succession Duty Amendment Act, 1975*. Short title

An Act to amend
The Succession Duty Act

1st Reading

April 7th, 1975

2nd Reading

3rd Reading

THE HON. A. K. MEEN
Minister of Revenue

(*Government Bill*)

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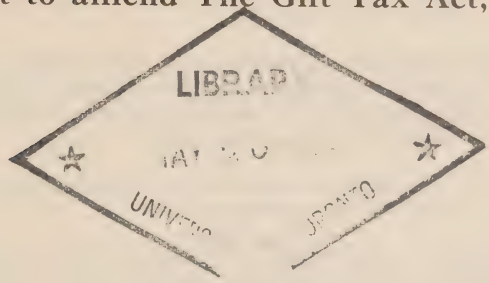
BILL 32

Government Bill

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to amend The Gift Tax Act, 1972



THE HON. A. K. MEEN
Minister of Revenue

(Reprinted as amended by the Committee of the Whole House)

TORONTO
PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

The major amendments proposed in this Bill are:

(*a*) An increase from $50,000 to $75,000 in the exemption for gifts of farming assets for use in farming.

(*b*) A change in the method of computing the above exemption so that it will apply to all gifts of farming assets made in the lifetime of the donor, subject to the maximum of $75,000.

(*c*) The addition, for gifts of the shares of a small active business corporation, of an exemption similar to that for gifts of farming assets. "Small active business corporation" has the same meaning in this Act that it has in the amendments proposed to *The Succession Duty Act*. Briefly, it is a Canadian, family-owned corporation that carries on an active commercial business in Canada and that is qualified for a small business deduction under section 125 of the *Income Tax Act* (Canada).

(*d*) An increase from $2,000 to $5,000 in the annual exemption for gifts made by a donor to any one individual, and an increase from $10,000 to $25,000 in the aggregate of such annual exemptions that a donor is entitled to claim in a year.

(*e*) An exemption for contributions made by a person to his spouse's registered retirement savings plan.

SECTION 1.—Subsection 1. The proposed re-enactment of clause *h* provides that gifts of farming assets (other than gifts made in trust) will be exempt up to a maximum of $75,000. The former requirement in the clause that the exemption could only be claimed once in the lifetime of the donor has been dropped, and the exemption now applies to all gifts of farming assets made during the lifetime of the donor to donees connected with him by blood relationship, marriage or adoption. The former exemption of $50,000 is increased to $75,000 for gifts made on or after January 1, 1975.

The addition of clause *i* makes the same provision for gifts of shares of a small business corporation as is made for gifts of farming assets, and the exemption applies with respect to gifts made on and after January 1, 1975.

BILL 32 **1975**

An Act to amend The Gift Tax Act, 1972

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Clause *h* of subsection 1 of section 10 of *The Gift Tax Act, 1972*, being chapter 12, as enacted by the Statutes of Ontario, 1973, chapter 165, section 2, is repealed and the following substituted therefor: s. 10 (1) (*h*), re-enacted

(*h*) absolute and indefeasible gifts, except gifts made by the creation of a settlement or by the transfer of property to a trust, of farming assets in Ontario given after the 12th day of April, 1973 by a donor who is resident in Ontario, or who is the spouse of an individual who is resident in Ontario, to a person or persons resident in Ontario and connected with the donor by blood relationship, marriage or adoption to be used by such person or persons, or by such person or persons together with the donor or the spouse of the donor, in farming in Ontario, but no gifts are exempt from tax by virtue of this clause,

(i) to the extent that the value of all such gifts of farming assets in Ontario, after making allowance for any other exemption or deduction permitted by this Act, that are given after the 12th day of April, 1973, during the life of the donor, and prior to the 1st day of January, 1975 exceeds $50,000, or

(ii) to the extent that the value of all such gifts of farming assets in Ontario, after making allowance for any other exemption or deduction permitted by this Act, that are given on or after the 1st day of January, 1975 and during the lifetime of the donor exceeds the result obtained by subtracting from $75,000 the value of any exemption to which

the donor was entitled under this clause with respect to gifts given prior to the 1st day of January, 1975;

(*i*) absolute and indefeasible gifts, except gifts made by the creation of a settlement or by the transfer of property to a trust, of shares of a small active business corporation given on or after the 1st day of January, 1975 by a donor to a person or persons connected with the donor by blood relationship, marriage or adoption, but no gifts are exempt from tax by virtue of this clause to the extent that the value of all such gifts of shares of a small active business corporation, after making allowance for any other exemption or deduction permitted by this Act, that are made during the lifetime of the donor exceeds $75,000.

s. 10 (1), amended

(2) Subsection 1 of the said section 10, as amended by the Statutes of Ontario, 1973, chapter 165, section 2, is further amended by adding thereto the following clause:

(*j*) absolute and indefeasible gifts made by a donor to or for the benefit of his spouse by way of any payment as a contribution to, or as consideration under a contract that is, a registered retirement savings plan under which his spouse is the annuitant.

s. 10 (2), re-enacted

(3) Subsection 2 of the said section 10, as enacted by the Statutes of Ontario, 1973, chapter 165, section 2, is repealed and the following substituted therefor:

Interpretation

(2) For the purpose of this section,

(*a*) "farming" includes tillage of the soil, the breeding, raising or grazing of live stock of all kinds, the raising of poultry and the production of poultry products, fur farming, dairy farming, fruit growing, the growing of food for human consumption or for the feeding of live stock, and the keeping of bees;

(*b*) "farming assets" means,

(i) trade accounts receivable, supplies and inventory of commodities or things produced, raised or grown through farming,

(ii) land, buildings, equipment, machinery and live stock that are used chiefly in farming,

(iii) any right or licence granted or issued under any Act of the Legislature that permits or regulates the production or sale of any commodity or thing produced, raised or grown through farming,

Subsection 2. This amendment provides an exemption for contributions by a donor to his spouse's registered retirement savings plan. The provision will be retroactive to January 1, 1974 to permit donors to take advantage of the change in the federal *Income Tax Act* effective in 1974 that permitted deduction of contributions to a spouse's registered retirement savings plan.

Subsection 3. This amendment defines terms used in the amendments proposed in the previous two subsections.

(iv) the building in which a person resides who is engaged in farming if that building is on land that is or is contiguous to land used by that person in farming, and

(v) shares in a farming corporation,

(vi) any indebtedness that is owing to the donor from a person or persons connected with the donor by blood relationship, marriage or adoption and resident in Ontario or from a farming corporation solely as a result of a sale by the donor to a person or persons connected with the donor by blood relationship, marriage or adoption and resident in Ontario or to a farming corporation of farming assets as defined in subclause i, ii, iii, iv or v and such indebtedness is "farming assets" only if, in addition to the foregoing requirements of this subclause, the farming assets the sale of which gave rise to such indebtedness are at the date of the gift used in farming,

(A) by the person, persons or farming corporation indebted to the donor, or

(B) by a person resident in Ontario who is connected with the person or persons mentioned in sub-subclause A by blood relationship, marriage or adoption, and

(vii) the interest of a donor in a partnership 95 per cent of the assets of which are farming assets as defined in subclause i, ii, iii, iv, v or vi and that carried on farming in Ontario, provided that the gift of such interest is to a person or persons connected with the donor by blood relationship, marriage or adoption and resident in Ontario or to a farming corporation;

(*c*) "farming corporation" means a corporation,

(i) every share of which that confers on the holder thereof the right to vote is, at the date of the gift, owned either by the donor or by a person or persons connected with the donor by blood relationship, marriage or adoption and resident in Ontario,

(ii) 95 per cent of the assets of which are farming assets, and

(iii) which carries on the business of farming in Ontario through the employment of a person or persons connected with the donor by blood relationship, marriage or adoption actually engaged in the operation of the farm;

1970-71, c. 63 (Can.)

(*d*) "registered retirement savings plan" has the meaning given to that expression by the *Income Tax Act* (Canada);

(*e*) "small active business corporation" means a corporation,

(i) incorporated under the laws of Canada or a province of Canada,

(ii) that carries on in Canada an active commercial business (other than a business of an investment or financial nature that is not the making of loans or the trading or dealing in stocks, bonds, mortgages, bills, notes or other similar property) from which at least 75 per cent of its income is derived,

(iii) more than 50 per cent of the shares of which that confer on the holder thereof the right to vote are, at the date of the gift, owned either by the donor or by a person or persons connected with the donor by blood relationship, marriage or adoption, and

(iv) that, in the fiscal year ending in the year in which the gift was made, qualified for a deduction under section 125 of the *Income Tax Act* (Canada) notwithstanding that no deduction is allowed under that section for the fiscal year by reason only that the amount determined under paragraph *a* or *b* of subsection 1 of that section is nil for the fiscal year.

s. 11 (1), amended

2. Subsection 1 of section 11 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 165, section 3, is further amended by striking out "two" in the eighth line and inserting in lieu thereof "five" and by striking out "$10,000" in the fourteenth line and inserting in lieu thereof "$25,000".

SECTION 2. The amendments increase from $2,000 to $5,000 the annual exemption for gifts made by a donor in a year to any one individual. In addition, the aggregate exemption that a donor may claim for such gifts is increased from $10,000 to $25,000 in any year. These amendments are effective for gifts made on or after January 1, 1975.

SECTION 3. The amendment provides that returns must be made in cases where an exemption is being claimed for a gift of farming assets or a gift of the shares of a small business corporation. Previously, the Act did not require a return where the only gifts made in a year were exempt gifts. This provision is retained for all exempt gifts except those of farming assets and shares of a small business corporation because the exemptions for these gifts are cumulative and records must be kept to determine when the maximum exemption has been reached. In addition, the references to $2,000 and $10,000 are amended to conform to the amendments made in section 2 of the Bill.

SECTION 4. These amendments are consequential on the amendments proposed in section 2 of the Bill.

SECTION 5. The amendment provides that the rate of interest on overpayments of tax may be fixed by regulation.

SECTION 6. The repeal of section 46 removes the lien for tax on property other than real property. The lien on real property, which is effective only with registration of a notice of lien, remains as part of the Act in section 47.

3. Clauses *a* and *b* of subsection 1 of section 18 of the said Act are repealed and the following substituted therefor: s. 18 (1) (*a*, *b*), re-enacted

(*a*) a gift exempt from tax under clauses *a* to *g*, or under clause *j*, of subsection 1 of section 10; or

(*b*) a gift made to an individual having a value of not more than $5,000 if the aggregate value of gifts made to individuals by the donor in the year does not exceed $25,000,

. . . . .

4. Subsection 6 of section 34 of the said Act is amended by striking out "$10,000" in the fourth line and in the eighth line and inserting in lieu thereof in each instance "$25,000" and by striking out "$2,000" in the thirteenth line and inserting in lieu thereof "$5,000". s. 34 (6), amended

5. Subsection 2 of section 42 of the said Act is amended by inserting after "annum" in the second line "or such other rate as is prescribed". s. 42 (2), amended

6. Section 46 of the said Act is repealed. s. 46, repealed

7.—(1) This Act, except subsection 2 of section 1 and section 2, comes into force on the day it receives Royal Assent. Commencement

(2) Subsection 2 of section 1 shall be deemed to have come into force on the 1st day of January, 1974. Idem

(3) Section 2 shall be deemed to have come into force on the 1st day of January, 1975. Idem

8. This Act may be cited as *The Gift Tax Amendment Act, 1975*. Short title

BILL 32

An Act to amend
The Gift Tax Act, 1972

1st Reading

April 7th, 1975

2nd Reading

April 24th, 1975

3rd Reading

THE HON. A. K. MEEN
Minister of Revenue

(Reprinted as amended by the Committee of the Whole House)

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BILL 33

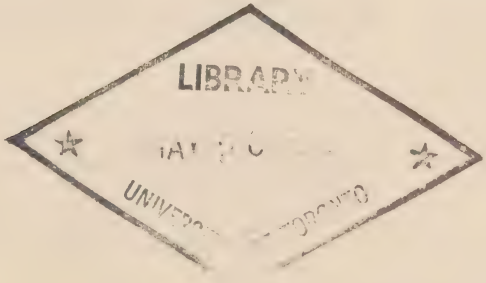
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5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to amend The Motor Vehicle Fuel Tax Act

THE HON. A. K. MEEN
Minister of Revenue



TORONTO
PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

BILL 33 **1975**

An Act to amend The Motor Vehicle Fuel Tax Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Section 2 of *The Motor Vehicle Fuel Tax Act*, being chapter 282 of the Revised Statutes of Ontario, 1970, is amended by adding thereto the following subsection: s. 2, amended

(3*a*) Where the Minister is satisfied that the applicant for a registration certificate will be acquiring fuel principally, Restricted registration certificates

(*a*) for resale by the applicant;

(*b*) to be used by the applicant in a manner or for a purpose that will render such fuel exempt from tax by virtue of this Act or the regulations, or that will entitle the applicant to apply to the Minister for a full refund of the tax imposed by this Act on such fuel; or

(*c*) to be disposed of or consumed by the applicant in a manner prescribed by the regulations for the purpose of this subsection,

the Minister may issue a registration certificate to such applicant, and the certificate may be made subject to such conditions and restrictions as the Minister considers necessary to ensure that fuel acquired by the applicant through his use of the certificate will be dealt with by the applicant in accordance with clause *a*, *b* or *c*, as the case may be.

(2) The said section 2 is further amended by adding thereto the following subsection: s. 2, amended

(7) Every registrant who contravenes any condition or restriction contained in a registration certificate issued under this section is guilty of an offence and on summary Offence

conviction is liable to a penalty of not less than $100 and not more than $1,000 and the amount of the tax, if any, that would have been payable by such registrant had he complied with the condition or restriction that he contravened.

s. 7 (2), amended

2. Subsection 2 of section 7 of the said Act is amended by striking out "who is not a purchaser" in the second and third lines and inserting in lieu thereof "unless the fuel is supplied by delivering it directly into the fuel tank of a motor vehicle licensed or required to be licensed under *The Highway Traffic Act*.

s. 9 (2), amended

3.—(1) Subsection 2 of section 9 of the said Act, as amended by the Statutes of Ontario, 1972, chapter 147, section 5, is further amended by adding at the commencement thereof "Subject to subsection 3".

s. 9, amended

(2) The said section 9, as amended by the Statutes of Ontario, 1972, chapter 147, section 5, is further amended by adding thereto the following subsections:

Where refund of tax claimed

(3) Where, in a return delivered by a registrant in accordance with this Act and the regulations, it is shown that tax under this Act is payable by the registrant with respect to his use after the 7th day of April, 1975 of fuel, and, where, at the time such return is delivered to the Minister, the registrant also applies for a refund pursuant to section 18 of some or all of such tax on fuel so used by him, he may, notwithstanding subsection 1, retain the amount a refund of which he claims until the refund for which he has applied is, in whole or in part, approved or refused by the Minister and notification thereof is sent to the registrant, and upon his being notified of the refusal to refund any amount a refund of which has been claimed, the registrant shall, with his next return or at such earlier time as is specified in the notification, transmit to the Treasurer any amount a refund of which has been refused together with interest thereon at the rate of 9 per cent per annum or such other rate as is prescribed by the regulations for the period during which such amount has been retained by the registrant, and upon his being notified of the approval of the refund of any amount a refund of which has been claimed, the registrant may, subject to subsection 4, retain for his own use such amount so approved.

Recovery of excess refund

(4) Any amount refunded under this Act in excess of the amount to which the person receiving the refund was entitled shall be deemed to be tax under this Act owing to the Crown, and the provisions of this Act relating to the assessment (including objection and appeal therefrom) and to collection of taxes apply *mutatis mutandis* to the said amount.

4. Section 13 of the said Act is amended by adding thereto the following subsection: s. 13, amended

(2) Any person who, being an officer, director or agent of a corporation, directed, authorized, assented to, acquiesced in or participated in the commission of any act that is an offence under this Act and for which the corporation would be liable for prosecution, is guilty of an offence and on summary conviction is liable to the punishment provided for the offence whether or not the corporation has been prosecuted or convicted. Officers, etc., of corporations

5. Section 17 of the said Act is repealed and the following substituted therefor: s. 17, re-enacted

17. Where, owing to special circumstances, it is considered inequitable that the whole amount of interest payable under this Act be paid, the Minister may exempt a person from payment of the whole or any part of the interest. Relief from interest

6. Section 18 of the said Act, as amended by the Statutes of Ontario 1972, chapter 14, section 4 and 1972, chapter 147, section 9, is repealed and the following substituted therefor: s. 18, re-enacted

18.—(1) The Minister may refund the full tax imposed by this Act where the fuel on which the tax was paid was, in the opinion of the Minister, used exclusively, Refunds

(*a*) in the business of farming or commercial fishing; or

(*b*) in any business, industry or institution for any business, industrial or institutional purpose that is not prescribed by regulation to be excluded from the application of this section,

but no refund of tax may be made with respect to fuel used to operate a motor vehicle licensed or required to be licensed under *The Highway Traffic Act*, or used in any motor vehicle operated or intended to be operated principally for the pleasure or recreation of its owner or operator, or with respect to any fuel purchased prior to the 8th day of April, 1975 by the person claiming a refund under this section. R.S.O. 1970, c. 202

(2) A refund under this Act shall not be made unless an application therefor, accompanied by properly receipted invoices, is received by the Minister within two years of the date when the tax a refund of which is claimed was paid, and there shall be furnished to the Minister such evidence as he requires to satisfy him of the entitlement of the applicant to the refund claimed. Application for refund

Over-payments

(3) Where a registrant has transmitted to the Treasurer an amount in excess of the tax collectable by him under this Act and of the taxes, interest and penalties payable by him under this Act, such excess amount shall be refunded to him upon his application therefor made within two years of the date of his payment of such excess amount, and where any overpayment of tax by a registrant or a purchaser is the result of an assessment or reassessment under this Act or of the final decision of a court in proceedings commenced under section 10*a*, such overpayment shall, notwithstanding subsection 2, be refunded without an application therefor.

Exception

(4) Notwithstanding subsections 1, 2 and 3, the provisions of this Act and the regulations in force prior to the 8th day of April, 1975 with respect to refunds of tax imposed by this Act continue to apply to or with respect to tax paid under this Act on fuel purchased prior to that date.

s. 21 (*e*), re-enacted

7.—(1) Clause *e* of section 21 of the said Act, as enacted by the Statutes of Ontario, 1972, chapter 14, section 5, is repealed and the following substituted therefor:

(*e*) prescribing purposes for which fuel is used that are excluded from the application of section 18.

s. 21, amended

(2) The said section 21, as amended by the Statutes of Ontario 1972, chapter 14, section 5 and 1972, chapter 147, section 11, is further amended by adding thereto the following clauses:

(*j*) prescribing records to be kept by registrants, information to be shown in a return to be delivered by a registrant, and prescribing times or periods of time, in lieu of those mentioned in section 8, at which, or with respect to which, returns shall be delivered by any registrant or class of registrants;

(*k*) prescribing, for the purpose of subsection 3*a* of section 2, any manner of disposing of or consuming fuel;

(*l*) providing for the calculation and payment of interest on amounts paid in excess of the tax imposed by this Act, and prescribing the rate of such interest;

(*m*) providing for the refund in special circumstances of the whole or any part of the tax imposed by this Act, and prescribing the terms and conditions under which such refund may be made;

(*n*) authorizing or requiring the Deputy Minister of Revenue or any officer of the Ministry of Revenue to exercise any power or perform any duty conferred or imposed upon the Minister by this Act.

8. This Act shall be deemed to have come into force on the 8th day of April, 1975. Commencement

9. This Act may be cited as *The Motor Vehicle Fuel Tax Amendment Act, 1975*. Short title

BILL 66

An Act to amend
The Motor Vehicle Fuel Tax Act

1st Reading

April 7th, 1975

2nd Reading

April 22nd, 1975

3rd Reading

April 22nd, 1975

THE HON. A. K. MEEN
Minister of Revenue

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BILL 34

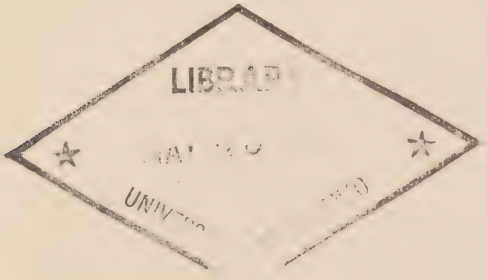
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5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to amend The Gasoline Tax Act, 1973

THE HON. A. K. MEEN
Minister of Revenue



TORONTO
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BILL 34 **1975**

An Act to amend The Gasoline Tax Act, 1973

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause *d* of section 1 of *The Gasoline Tax Act, 1973*, being chapter 99, is amended by adding thereto the following subclause: s. 1 (*d*), amended

(iv) natural or manufactured gas, or any product that is commonly known as a liquefied petroleum gas, when any of them is purchased exclusively for use otherwise than to supply power to propel any vehicle of any kind on a highway within the meaning of *The Highway Traffic Act*. R.S.O. 1970, c. 202

2. This Act shall be deemed to have come into force on the 30th day of October, 1973. Commencement

3. This Act may be cited as *The Gasoline Tax Amendment Act, 1975*. Short title

An Act to amend
The Gasoline Tax Act, 1973

1st Reading

April 7th, 1975

2nd Reading

April 22nd, 1975

3rd Reading

April 22nd, 1975

THE HON. A. K. MEEN
Minister of Revenue

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BILL 35

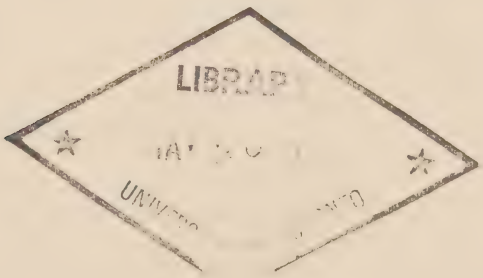
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5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to amend The Income Tax Act

THE HON. A. K. MEEN
Minister of Revenue



TORONTO
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BILL 35 **1975**

An Act to amend The Income Tax Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause *b* of subsection 7 of section 3 of *The Income Tax Act*, being chapter 217 of the Revised Statutes of Ontario, 1970, as re-enacted by the Statutes of Ontario, 1972, chapter 146, section 1, is amended by inserting after "2" in the fifth line "or 4*a*". s. 3 (7) (*b*), amended

2. Section 6*a* of the said Act, as enacted by the Statutes of Ontario, 1971 (2nd Session), chapter 1, section 7, is repealed and the following substituted therefor: s. 6*a*, re-enacted

6*a*. Where the tax payable under this Act for a taxation year by an individual to whom subsection 1 of section 3 applies does not, before making any deduction to which the individual is entitled under subsection 2 or 4*a* of section 6*b*, exceed $61, no tax is payable under this Act for the taxation year by the individual. No tax payable in certain cases

3.—(1) Clause *f* of subsection 1 of section 6*b* of the said Act, as re-enacted by the Statutes of Ontario, 1973, chapter 21, section 2 and amended by 1973, chapter 153, section 2, is further amended by striking out "or" at the end of subclause iii, by inserting "or" at the end of subclause iv and by adding thereto the following subclause: s. 6*b* (1) (*f*), amended

(v) an individual who, by virtue of any agreement, convention or treaty entered into by Canada with another country, was not required to pay tax under the Federal Act.

(2) Subsection 1 of the said section 6*b*, as re-enacted by the Statutes of Ontario, 1972, chapter 146, section 2 and amended by 1973, chapter 21, section 2 and 1973, chapter 153, section 2, is further amended by adding thereto the following clauses: s. 6*b* (1), amended

(*g*) "recorded agent" means a person on record with the Commission on Election Contributions and Expenses as being authorized to accept contributions on behalf of a political party, constituency association or candidate registered under *The Election Finances Reform Act, 1975*;

1975, c. . . .

(*h*) "registered candidate" with respect to an election of a member or members to serve in the Assembly, means a person who has been registered as a candidate for such election by the Commission on Election Contributions and Expenses and whose name has not been deleted from the register of candidates maintained by the Commission with respect to such election;

(*i*) "registered constituency association" means a registered constituency assocition within the meaning given to that expression by *The Election Finances Reform Act, 1975*;

(*j*) "registered party" means a registered party within the meaning given to that expression by *The Election Finances Reform Act, 1975*.

s. 6*b* (2) (*b*) (i), amended

(3) Subclause i of clause *b* of subsection 2 of the said section 6*b*, as re-enacted by the Statutes of Ontario, 1973, chapter 153, section 2, is amended by striking out "or iv" in the third line and inserting in lieu thereof "iv or v".

s. 6*b*, amended

(4) The said section 6*b*, as re-enacted by the Statutes of Ontario, 1972, chapter 146, section 2 and amended by 1973, chapter 21, section 2, 1973, chapter 153, section 2 and 1974, chapter 91, section 2, is further amended by adding thereto the following subsection:

Taxable income deemed nil

(2*a*) Where, by virtue of the application of section 6*a*, an individual has no tax payable under this Act before making any deduction to which he is entitled under subsection 2 or 4*a*, he shall, for the purpose of computing the deduction to which he is entitled under subsection 2, be deemed to have no taxable income.

s. 6*b*, amended

(5) The said section 6*b* is further amended by adding thereto the following subsection:

Tax credit for election contributions

(4*a*) In respect of the aggregate of amounts (the aggregate of which amounts is hereafter in this subsection referred to as "the amount contributed") that are contributions for the purposes of *The Election Finances Reform Act, 1975*,

1975, c. . . .

and that are contributed in the taxation year by an individual to registered candidates at an election of a member or members to serve in the Assembly, to registered constituency associations or to registered parties, every individual resident in Ontario on the last day of the taxation year may deduct from the amount by which his tax payable under this Act for that taxation year calculated without reference to this section exceeds the amount of the deduction to which he is entitled under subsection 2 for the taxation year,

(*a*) 75 per cent of the amount contributed if the amount contributed does not exceed $100;

(*b*) $75 plus 50 per cent of the amount by which the amount contributed exceeds $100 if the amount contributed exceeds $100 and does not exceed $550; or

(*c*) the lesser of,

(i) $300 plus 33⅓ per cent of the amount by which the amount contributed exceeds $550 if the amount contributed exceeds $550, and

(ii) $500,

provided that payment of each amount that is included in the amount contributed is proven by filing with the Minister receipts that are signed by a recorded agent of the registered candidate, registered constituency association or registered party, as the case may be, and that contain the information prescribed to be shown on such receipts.

4. Clause *a* of subsection 1 of section 11 of the said Act is repealed and the following substituted therefor: s. 11 (1) (*a*), re-enacted

(*a*) on or before the 31st day of December in each taxation year, two-thirds of,

(i) the amount estimated by him under section 8 to be his tax payable under this Act for the year, or

(ii) his tax payable under this Act for the immediately preceding year; and

. . . . .

5.—(1) Clause *a* of subsection 1 of section 12 of the said Act is repealed and the following substituted therefor: s. 12 (1) (*a*), re-enacted

(*a*) on or before the 31st day of March, the 30th day of June, the 30th day of September and the 31st day of December, respectively, in each taxation year, an amount equal to one-quarter of,

(i) the amount estimated by him under section 8 to be his tax payable under this Act for the year, or

(ii) his tax payable under this Act for the immediately preceding year; and

. . . . .

s. 12, amended

(2) The said section 12, as amended by the Statutes of Ontario, 1971 (2nd Session), chapter 1, section 12, is further amended by adding thereto the following subsection:

When no instalment required

(4) Where no federal instalments are required pursuant to section 156.1 of the Federal Act, the requirements for payment by instalments under sections 11 and 12 of this Act are not applicable, and the individual shall on or before the 30th day of April next following the taxation year pay to the Treasurer his estimated tax payable for that taxation year.

Commencement

6.—(1) This Act, except sections 1, 2, 3, 4 and 5, comes into force on the day it receives Royal Assent.

Idem

(2) Section 1 and subsections 2 and 5 of section 3 shall be deemed to have come into force at 3 o'clock in the afternoon on the 13th day of February, 1975.

Idem

(3) Section 2 and subsection 4 of section 3 shall be deemed to have come into force on the 1st day of January, 1975 and to apply to the 1975 and subsequent taxation years.

Idem

(4) Subsections 1 and 3 of section 3 and sections 4 and 5 shall be deemed to have come into force on the 1st day of January, 1974 and to apply to the 1974 and subsequent taxation years.

Short title

7. This Act may be cited as *The Income Tax Amendment Act, 1975*.

An Act to amend
The Income Tax Act

1st Reading

April 7th, 1975

2nd Reading

April 22nd, 1975

3rd Reading

May 2nd, 1975

THE HON. A. K. MEEN
Minister of Revenue

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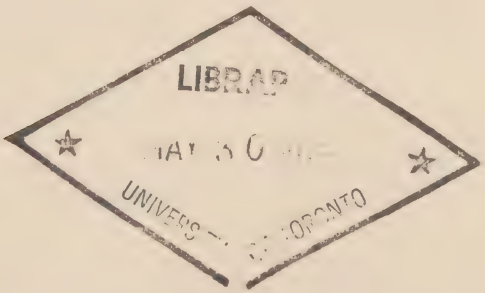
BILL 36

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to amend The Corporations Tax Act, 1972

THE HON. A. K. MEEN
Minister of Revenue



TORONTO
PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

BILL 36 **1975**

An Act to amend The Corporations Tax Act, 1972

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Paragraph 6 of subsection 1 of section 1 of *The Corporations Tax Act, 1972*, being chapter 143, is repealed and the following substituted therefor: s. 1 (1), par. 6, re-enacted

6. "bank" means a bank to which the *Bank Act* (Canada) or the *Quebec Savings Banks Act* (Canada) applies. R.S.C. 1970, c. B-1 R.S.C. 1970, c. B-4

(2) Subsection 1 of the said section 1, as amended by the Statutes of Ontario, 1973, chapter 157, section 1, and 1974, chapter 75, section 1, is further amended by adding thereto the following paragraph: s. 1 (1), amended

9*a*. "Canadian resource property" has the meaning given to that expression by section 63.

(3) Subsection 1 of the said section 1 is further amended by adding thereto the following paragraph: s. 1 (1), amended

17*a*. "credit union" has the meaning given to that expression by subsection 5 of section 114.

(4) Subsection 1 of the said section 1 is further amended by adding thereto the following paragraphs: s. 1 (1), amended

33*a*. "foreign affiliate", at any time, of a corporation has the meaning given to that expression under paragraph *d* of subsection 1 of section 95 of the *Income Tax Act* (Canada); 1970-71, c. 63 (Can.)

. . . . .

38*a*. "international traffic" means in respect of a non-resident corporation carrying on the business of

transporting passengers or goods, any voyage made in the course of that business where the principal purpose of the voyage is to transport passengers or goods,

i. from Canada to a place outside Canada,

ii. from a place outside Canada to Canada, or

iii. from a place outside Canada to another place outside Canada.

s. 1 (1), amended

(5) Subsection 1 of the said section 1 is further amended by adding thereto the following paragraph:

50*a*. "paid-up capital" has the meaning given to that expression by subsection 1 of section 83 but such meaning does not apply for the purposes of section 106*a* or Part III of this Act.

s. 1 (1), par. 66, re-enacted

(6) Paragraph 66 of subsection 1 of the said section 1 is repealed and the following substituted therefor:

66. "resident in Canada" means "resident in Canada" as that term is defined in the *Income Tax Act* (Canada).

1970-71, c. 63 (Can.)

s. 1 (1), par. 68, re-enacted

(7) Paragraph 68 of subsection 1 of the said section 1 is repealed and the following substituted therefor:

68. "share" means a share or fraction thereof of the capital stock of a corporation.

s. 1 (1), par. 76, re-enacted

(8) Paragraph 76 of subsection 1 of the said section 1 is repealed and the following substituted therefor:

76. "taxable Canadian property" has the meaning given to that expression by subsection 1 of section 115 of the *Income Tax Act* (Canada) except that, for the purposes of section 2 the expression "taxable Canadian property" includes,

i. a Canadian resource property, within the meaning given to that expression by subsection 12 of section 63, or any property that would have been a Canadian resource property, within the meaning given to that expression by subsection 12 of section 63, if it had been acquired after 1971,

ii. a timber resource property,

iii. an income interest in a trust resident in Canada, and

iv. a right to a share of income or loss under an agreement referred to in clause *a* of subsection 1*a* of section 85.

(9) Subsection 1 of the said section 1 is further amended by adding thereto the following paragraphs: s. 1 (1), amended

83*a*. "timber resource property" has the meaning given to that expression by clause *da* of subsection 17 of section 17;

83*b*. "timber royalty" includes any consideration for a right under or pursuant to which a right to cut or take timber from a timber limit in Canada is obtained or derived, to the extent that such consideration is dependent upon, or computed by reference to, the amount of timber cut or taken.

2.—(1) Clause *b* of subsection 2 of section 2 of the said Act is repealed and the following substituted therefor: s. 2 (2) (*b*), re-enacted

(*b*) owned real property, timber resource property or a timber limit in Ontario the income from which arose from the sale or rental thereof or is a royalty or timber royalty; or

. . . . .

(2) Clause *b* of subsection 3 of the said section 2 is repealed and the following substituted therefor: s. 2 (3) (*b*), re-enacted

(*b*) owned real property, timber resource property or a timber limit in Ontario the income from which arose from the sale or rental thereof or is a royalty or a timber royalty and the corporation has elected to file a return of income under Part I of the *Income Tax Act* (Canada) pursuant to section 216 of that Act; or 1970-71, c. 63 (Can.)

. . . . .

3. Section 3 of the said Act is repealed and the following substituted therefor: s. 3, re-enacted

3. For the purposes of subsection 2 or 3 of section 2, a corporation "owned real property, timber resource property or a timber limit" if it had a legal, equitable or beneficial interest in the real property, timber resource property or timber limit. Interpretation

s. 16 (1) (*b*), re-enacted

4.—(1) Clause *b* of subsection 1 of section 16 of the said Act is repealed and the following substituted therefor:

Amounts receivable in respect of services, etc., rendered

(*b*) any amount receivable by the corporation in respect of property sold or services rendered in the course of a business in the year, notwithstanding that the amount or any part thereof is not due until a subsequent year, unless the method adopted by the corporation for computing income from the business and accepted for the purpose of this Part does not require it to include any amount receivable in computing its income for a fiscal year unless it has been received in the year.

s. 16 (1), amended

(2) Subsection 1 of the said section 16, as amended by the Statutes of Ontario, 1973, chapter 157, section 2, is further amended by striking out "and" at the end of clause *m*, by adding "and" at the end of clause *n* and by adding thereto the following clause:

Royalties, etc., to be included in income

(*o*) any amount (other than an amount, referred to in clause *n* of subsection 1 of section 22, paid or payable by the corporation) receivable in the year or the fair market value of any property receivable (other than an amount of property receivable by Her Majesty in right of Canada for the use and benefit of a band or bands as defined in the *Indian Act* (Canada)) in the year by,

R.S.C. 1970, c. I-6

(i) Her Majesty in right of Canada or a province,

(ii) an agent of Her Majesty in right of Canada or a province, or

(iii) a corporation, commission or association that is controlled, directly or indirectly in any manner whatever, by Her Majesty in right of Canada or a province or by an agent of Her Majesty in right of Canada or a province,

as a royalty or an equivalent amount, tax (other than a tax or portion thereof that may reasonably be considered to be a municipal or school tax levied for the purpose of providing services in the immediate area of the property of the corporation), rental, bonus, levy or otherwise or as an amount, however described, that may reasonably be regarded as being in lieu of a royalty or an equivalent amount, tax, rental, bonus, levy or other amount, whether such royalty or equivalent amount, tax, rental,

bonus, levy or other amount is receivable pursuant to any other Act or a contract, that may reasonably be regarded as being in relation to,

(iv) the acquisition, development or ownership by a corporation of a Canadian resource property or a property that would have been a Canadian resource property if it had been acquired after 1971, or

(v) the production in Canada of,

(A) petroleum, natural gas or related hydrocarbons, or

(B) metal or industrial minerals to any stage that is not beyond the prime metal stage or its equivalent,

from an oil or gas well or mineral resource situated on property in Canada from which the corporation had, at the time of such production, a right to take or remove petroleum, natural gas or related hydrocarbons or a right to take or remove metal or industrial minerals.

(3) The said section 16 is amended by adding thereto the following subsections: s. 16, amended

(3) Notwithstanding clause *c* of subsection 1 where the corporation is a bank, a credit union, a life insurance corporation, a trust company or any other corporation, other than a mutual fund corporation or a mortgage investment corporation, that borrows money from the public in the course of carrying on a business the principal purpose of which is the making of loans or whose principal business is the making of loans, there shall be included in computing its income from the business for a fiscal year interest accrued in respect of the year and interest receivable in the year to the extent that such interest was not included in computing the corporation's income for a previous fiscal year. Accrued interest of financial corporations

(4) For the purposes of subsection 3, "trust company" means a corporation licensed or otherwise authorized under the laws of Canada or a province to carry on in Canada the business of offering to the public its services as trustee. Interpretation

5. The said Act is amended by adding thereto the following section: s. 16*a*, enacted

16*a*. Notwithstanding any other provision of this Act, where in a fiscal year a corporation receives any amount from Cash bonus on Canada Savings Bond

the Government of Canada in respect of a Canada Savings Bond as a cash bonus that the Government of Canada has undertaken to pay, other than any amount of interest, bonus or principal agreed at the time of the issue of the bond to be paid under the terms of the bond, the corporation shall, in computing its income for the year, include,

(*a*) the amount, or such portion thereof, if any, as the corporation may report as interest; and

(*b*) an amount equal to one-half of the amount, if any, by which,

(i) the amount received as a cash bonus,

exceeds

(ii) the portion of the amount reported as interest under clause *a*,

as a taxable capital gain for the year from the disposition of a property.

s. 17, amended

6.—(1) Section 17 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 42, section 3, is further amended by adding thereto the following subsection:

Idem

(1*a*) Notwithstanding subsection 1, where in a fiscal year a timber resource property of a corporation has been disposed of, there shall be included in computing its income for the year the amount, if any, by which,

(*a*) the proceeds of disposition thereof,

exceeds

(*b*) the undepreciated capital cost to it, immediately before the disposition, of depreciable property of a prescribed class in which the timber resource property was included.

s. 17 (2), amended

(2) Subsection 2 of the said section 17 is amended:

(*a*) by striking out "subsection 1" in the first, ninth, nineteenth, twenty-seventh and thirty-eighth lines, and inserting in lieu thereof in each instance "subsection 1 or 1*a*"; and

(*b*) by striking out "subsection 1" in the sixth line and inserting in lieu thereof "subsections 1 and 1*a*".

(3) Subsection 3 of the said section 17 is repealed and the following substituted therefor: s. 17 (3), re-enacted

(3) Where an amount that would otherwise be included in computing the income of a corporation for a fiscal year, hereinafter referred to as the "initial year", by virtue of this section is, Insurance and compensation proceeds

(*a*) an amount receivable, in respect of loss or destruction of property of a prescribed class,

(i) under a policy of insurance, or

(ii) otherwise as compensation for the property so lost or destroyed; or

(*b*) an amount receivable as compensation for property of a prescribed class taken under statutory authority or as the sale price of property sold to a person by whom notice of an intention to take it under statutory authority was given,

the following rule applies,

(*c*) the amount shall, to the extent that it has been used by a corporation,

(i) before the end of the time certified by the Minister to be a reasonable time following the initial year, if the property so lost, destroyed, taken or sold was a vessel, or

(ii) before the end of the second fiscal year following the initial year if the property is not property referred to in subclause i,

to acquire, as a replacement for the property referred to in clause *a* or *b*, a property, in this section referred to as "replacement property", of a prescribed class that has not been disposed of by the corporation before the time the property referred to in clause *a* or *b* was disposed of,

(iii) subject to subclause iv, not be included in computing the income of the corporation for the initial year, and

(iv) be deemed to be proceeds of disposition of a depreciable property of the corporation, that had a capital cost equal to the amount of those

proceeds and that was property of the same class as the replacement property, from a disposition made on the later of,

(A) the time the replacement property was acquired, or

(B) the time immediately after the time the property referred to in clause *a* or *b* was disposed of.

s. 17 (6), par. 5, re-enacted

(4) Paragraph 5 of subsection 6 of the said section 17 is repealed and the following substituted therefor:

5. Where a corporation has received or is entitled to receive a grant, subsidy, forgivable loan, investment allowance or other assistance from a government, municipality or other public authority in respect of or for the acquisition of property, other than an amount,

i. authorized to be paid under an *Appropriation Act* (Canada) and on terms and conditions approved by the Minister in respect of scientific research expenditures incurred for the purpose of advancing and sustaining the technological capability of Canadian manufacturing or other industry, or

R.S.C. 1970, c. I-10

1965, c. 12 (Can.)

ii. authorized to be paid under the *Industrial Research and Development Incentives Act* (Canada) or the *Area Development Incentives Act* (Canada) and approved by the Minister,

the capital cost of the property to the corporation shall be deemed to be the amount by which the aggregate of,

iii. the capital cost thereof to the corporation, otherwise determined, and

iv. such part, if any, of the assistance as has been repaid by the corporation pursuant to an obligation to repay all or any part of that assistance,

exceeds

v. the amount of the assistance.

s. 17 (6), amended

(5) Subsection 6 of the said section 17 is amended by adding thereto the following paragraph:

6. Notwithstanding clause *f* of subsection 17,

i. the undepreciated capital cost referred to in subclause ii of clause *c* of subsection 1 of section 46 shall be determined after giving effect to the disposition of the former property referred to in subsection 1 of section 46, and

ii. the undepreciated capital cost, immediately before the time determined under sub-subclause B of subclause iv of clause *c* of subsection 3, of the class of property to which the replacement property referred to in clause *c* of subsection 3 belongs shall be determined after giving effect to,

(A) the disposition of the former property referred to in subsection 1 of section 46, and

(B) the reduction, referred to in clause *b* of subsection 1 of section 46, in the capital cost of that replacement property.

(6) Clause *a* of subsection 11 of the said section 17 is amended by inserting after "before" in the fifth line "May" and by striking out "1974" in the twenty-eighth line and inserting in lieu thereof "1975". s. 17 (11) (*a*), amended

(7) Subsection 14 of the said section 17 is amended by striking out "expended" in the third line and inserting in lieu thereof "used", by striking out "subclause iii of" in the third and fourth lines and by striking out "1974" in the seventh line and inserting in lieu thereof "1975". s. 17 (14), amended

(8) Subsection 15 of the said section 17 is amended by striking out "1974" in the sixth line and inserting in lieu thereof "1975" and by striking out "1974" in the twenty-seventh line and inserting in lieu thereof "the 1st day of July, 1975". s. 17 (15), amended

(9) Subsection 16 of the said section 17 is amended by striking out "1974" in the fifth line and in the twenty-fourth line and inserting in lieu thereof in each instance "1975". s. 17 (16), amended

(10) Subsection 17 of the said section 17 is amended by adding thereto the following clause: s. 17 (17), amended

(*da*) "timber resource property" of a corporation means,

(i) a right or licence to cut or remove timber from a limit or area in Canada, in this clause referred to as an "original right", if,

(A) that original right was acquired by the corporation, other than in the manner referred to in subclause ii, after May 6, 1974, and

(B) at the time of the acquisition of the original right,

1. the corporation may reasonably be regarded as having acquired, directly or indirectly, the right to extend or renew that original right or to acquire another such right or licence in substitution therefor, or

2. in the ordinary course of events, the corporation may reasonably expect to be able to extend or renew that original right or to acquire another such right or licence in substitution therefor, or

(ii) any right or licence owned by the corporation to cut or remove timber from a limit or area in Canada if that right or licence may reasonably be regarded,

(A) as an extension or renewal of or as one of a series of extensions or renewals of an original right of the corporation, or

(B) as having been acquired in substitution for or as one of a series of substitutions for an original right of the corporation or any renewal or extension thereof.

s. 17 (17) (*f*), amended

(11) Clause *f* of subsection 17 of the said section 17 is amended by,

(*a*) inserting after "property" in the first and second lines of subclause ii "other than a timber resource property"; and

(*b*) adding thereto the following subclause:

(ii*a*) for each disposition before that time of a timber resource property of the corporation of that class, the lesser of,

(A) the proceeds of disposition of the property, and

(B) the undepreciated capital cost to it of property of that class immediately before the disposition.

7.—(1) Clause *n* of subsection 1 of section 22 of the said Act, as enacted by the Statutes of Ontario, 1974, chapter 75, section 2, is repealed and the following substituted therefor: s. 22 (1) (*n*), re-enacted

(*n*) any amount paid or payable in the year or the fair market value of any property paid or payable in the year (other than an amount or property paid or payable to Her Majesty in right of Canada for the use and benefit of a band or bands as defined in the *Indian Act* (Canada)) to, Royalties R.S.C. 1970, c. I-6

(i) Her Majesty in right of Canada or a province,

(ii) an agent of Her Majesty in right of Canada or a province, or

(iii) a corporation, commission, or association that is controlled, directly or indirectly in any manner whatever, by Her Majesty in right of Canada or a province or by an agent of Her Majesty in right of Canada or a province,

as a royalty or an equivalent amount, tax (other than a tax or portion thereof that may reasonably be considered to be a municipal or school tax levied for the purpose of providing services in the immediate area of the property of the corporation), rental, bonus, levy or otherwise or as an amount, however described, that may reasonably be regarded as being in lieu of a royalty or an equivalent amount, tax, rental, bonus, levy or other amount (whether such royalty or equivalent amount, tax, rental, bonus, levy or other amount is paid or payable pursuant to any other Act or a contract) that may reasonably be regarded as being in relation to,

(iv) the acquisition, development or ownership of a Canadian resource property, or a property

that would have been a Canadian resource property if it had been acquired after 1971, or

(v) the production in Canada of,

(A) petroleum, natural gas or related hydro-carbons, or

(B) metal or industrial minerals, to any stage that is not beyond the prime metal stage or its equivalent,

from an oil or gas well or mineral resource situated on property in Canada from which the corporation had, at the time of such production, a right to take or remove petroleum, natural gas or related hydro-carbons or a right to take or remove metal or industrial minerals.

s. 22 (3), re-enacted

(2) Subsection 3 of the said section 22 is repealed and the following substituted therefor:

Meaning of certain expressions in sub. 2

(3) In subsection 2,

(*a*) "interest on borrowed money used to acquire land" includes,

(i) interest paid or payable in a year in respect of borrowed money that cannot be identified with particular land but that may nonetheless reasonably be considered, having regard to all the circumstances, as interest on borrowed money used in respect of or for the acquisition of land, and

(ii) interest paid or payable in the year by a corporation in respect of borrowed money that may reasonably be considered, having regard to all the circumstances, to have been used to assist, directly or indirectly, another person with whom the corporation does not deal at arm's length to acquire land to be used or held by that person, otherwise than as described in clause *c* or *e* or subsection 2, except where the assistance is in the form of a loan to that person and a reasonable rate of interest thereon is charged by the corporation; and

(*b*) "land" does not, except to the extent that it is used for the provision of parking facilities for a fee or charge, include,

(i) any property that is a building or other structure affixed to land,

(ii) the land subjacent to any property described in subclause i, or

(iii) such land immediately contiguous to the land described in subclause ii that is a parking area, driveway, yard, garden or similar land that is necessary for the use of any property described in subclause i.

(3) Subsection 5 of the said section 22, as amended by the Statutes of Ontario, 1973, chapter 157, section 4, is repealed and the following substituted therefor: s. 22 (5), re-enacted

(5) In subsection 4, "outstanding debts to specified non-residents" of a corporation at any particular time in a fiscal year means, Meaning of certain expressions in subs. 4

(*a*) the aggregate of amounts each of which is an amount outstanding at that time as or on account of a debt or other obligation to pay an amount,

(i) that was payable by the corporation to a person who was, at any time in the year,

(A) a shareholder of the corporation, who, either alone or together with persons with whom the shareholder was not dealing at arm's length, owned 25 per cent or more of the issued shares of any class of the corporation and who was,

1. a person not resident in Canada, or

2. a non-resident-owned investment corporation, or

(B) a person described in paragraph 1 or 2 of sub-subclause A who was not dealing at arm's length, with a shareholder of the corporation, if the shareholder, either alone or together with persons with whom he was not dealing

at arm's length, owned 25 per cent or more of the issued shares of any class of the corporation, and

(ii) on which any amount in respect of interest paid or payable by the corporation is or would be, but for subsection 4, deductible in computing the corporation's income for the year,

but does not include,

(*b*) where the corporation is a subsidiary of a non-resident life insurance corporation, the aggregate of amounts each of which is an amount outstanding at that time as or on account of a debt or other obligation to pay an amount to the life insurance corporation and such debt or other obligation has, by virtue of an election made under subsection 9 of section 138 of the *Income Tax Act* (Canada), been included by the life insurance corporation in its fiscal year that included the particular time as property held by it in the year in the course of carrying on an insurance business in Canada and the life insurance corporation has included the revenue therefrom in computing its income for the year from carrying on an insurance business in Canada.

1970-71, c. 63 (Can.)

s. 24 (1) (*p*), amended

8.—(1) Clause *p* of subsection 1 of section 24 of the said Act is amended by striking out "receivable" in the fifth line and inserting in lieu thereof "due".

s. 24 (1) (*dd*), re-enacted

(2) Clause *dd* of subsection 1 of the said section 24 is repealed and the following substituted therefor:

Fees paid to investment counsel

(*dd*) an amount other than a commission paid by the corporation in the fiscal year to a person,

(i) for advice as to the advisability of purchasing or selling a specific share or security of the corporation, or

(ii) for services in respect of the administration or management of shares or securities of the corporation,

if that person's principal business,

(iii) is advising others as to the advisability of purchasing or selling specific shares or securities, or

(iv) includes the provision of services in respect of the administration or management of shares or securities.

(3) Subsection 5 of the said section 24 is amended by inserting after "property" in the second line "other than a timber resource property". s. 24 (5), amended

(4) The said section 24, as amended by the Statutes of Ontario, 1973, chapter 42, section 5, 1973, chapter 157, section 5 and 1974, chapter 75, section 3, is further amended by adding thereto the following subsection: s. 24, amended

(5*a*) Where an amount that is owing to a corporation as or on account of the proceeds of disposition of a timber resource property of the corporation is established by it to have become a bad debt in a fiscal year, the amount so owing to the corporation may be deducted in computing its income for the fiscal year. Idem

(5) Subsection 6 of the said section 24 is amended by inserting after "property" in the first line "other than a timber resource property". s. 24 (6), amended

(6) The said section 24 is further amended by adding thereto the following subsection: s. 24, amended

(6*a*) Where a timber resource property of a corporation has, in a fiscal year, been disposed of to a person with whom the corporation was dealing at arm's length, and the proceeds of disposition include an agreement for sale of or mortgage or hypothec on land that the corporation has, in a subsequent fiscal year, sold to a person with whom it was dealing at arm's length, there may be deducted in computing the income of the corporation for the subsequent fiscal year the amount, if any, by which the principal amount of the agreement for sale, mortgage or hypothec outstanding at the time of the sale exceeds the consideration paid by the purchaser to the corporation for the agreement for sale, mortgage or hypothec. Idem

(7) Subsection 9 of the said section 24 is repealed and the following substituted therefor: s. 24 (9), re-enacted

(9) Clause *p* of subsection 1 does not apply to allow a deduction in computing the income of a corporation for a fiscal year from a business in respect of a property sold in the course of the business if the corporation, at the end of the fiscal year or at any time in the immediately following fiscal year, No deduction in respect of property in certain circumstances

(*a*) was exempt from tax under any provision of this Part; or

(*b*) ceased to have a permanent establishment in Canada.

s. 24 (10), amended

(8) Subsection 10 of the said section 24 is amended by inserting after "the" in the sixth line "nine".

s. 24, amended

(9) The said section 24 is further amended by adding thereto the following subsection:

Convention expenses

(10*a*) Notwithstanding clause *b* of subsection 1 of section 22, there may be deducted in computing the income of a corporation for a fiscal year from a business an amount paid by the corporation in the fiscal year as or on account of expenses incurred by an employee or officer of the corporation in attending, in connection with the business, not more than two conventions held during the year by a business or professional organization at a location that may reasonably be regarded as consistent with the territorial scope of that organization.

s. 25 (2), amended

9.—(1) Subsection 2 of section 25 of the said Act is amended by inserting after "development" in the second and third lines and in the fourth line "or the acquisition of property" and by striking out "and" in the fourth line and inserting in lieu thereof "or".

s. 25 (2) (*a*), amended

(2) Clause *a* of subsection 2 of the said section 25 is amended by striking out "and" in the twelfth line and inserting in lieu thereof "or".

s. 25 (2) (*b*), amended

(3) Clause *b* of subsection 2 of the said section 25 is amended by striking out "exploration, prospecting and development expenses" in the third line and inserting in lieu thereof "Canadian exploration and development expenses as defined in section 63".

s. 26 (2), amended

10. Subsection 2 of section 26 of the said Act is amended by inserting after "shall", in the fourth line "subject to subsection 1 of section 66".

s. 27 (2), repealed

11. Subsection 2 of section 27 of the said Act is repealed.

s. 35 (1) (*a*), re-enacted

12.—(1) Clause *a* of subsection 1 of section 35 of the said Act is repealed and the following substituted therefor:

(*a*) the aggregate of,

(i) 1½ per cent of the lesser of,

(A) the aggregate of,

1. each amount outstanding at the end of the fiscal year as or on account of the amortized cost of loans made by the corporation on the security of a mortgage, hypothec or agreement for sale of real property, or as or on account of the amortized cost of any such mortgage, hypothec or agreement for sale purchased by the corporation,

2. each amount due and unpaid at the end of the fiscal year as or on account of interest payable to the corporation under a mortgage, hypothec or agreement for sale of real property,

3. each amount that has been taken into account in computing the income of the corporation for the fiscal year as or on account of the value of real property of the corporation that was included in the inventory of the corporation at the end of the year and that was acquired, by foreclosure or otherwise, after default made under a mortgage, hypothec or agreement for sale of real property, otherwise than as or on account of the value of real property in respect of which any amount for the year has been included under paragraph 1 or 2, and

4. where the corporation is licensed or otherwise authorized under the laws of Canada or a province to carry on in Canada the business of offering to the public its services as trustee, each amount outstanding at the end of the fiscal year as or on ac-

count of the amortized cost of a bond or debenture (other than a bond or debenture that matures within one year after that time) owned by the corporation at that time and held by it in respect of money received by it in trust for investment subject to a guarantee by it in respect of the repayment of the principal or the payment of interest, or both, and each amount due and unpaid as or on account of interest payable in respect of such bond or debenture to the corporation, and

(B) $2,000,000,000, and

(ii) 1 per cent of the amount, if any, by which the aggregate referred to in sub-subclause A of subclause i exceeds the amount referred to in sub-subclause B of subclause i; and

. . . . .

s. 35, amended

(2) The said section 35 is amended by adding thereto the following subsection:

Interpretation

(3) In this section, "amortized cost" of a bond, debenture, mortgage, hypothec or agreement for sale at any time means the amount, if any, by which the aggregate of,

(*a*) the cost to the corporation of acquiring the bond, debenture, mortgage, hypothec or agreement for sale; and

(*b*) the portion of the amount, if any, by which,

(i) the principal amount of the bond, debenture, mortgage, hypothec or agreement for sale at the time it was acquired by the corporation,

exceeds

(ii) the cost thereof to the corporation of acquiring it,

that was included in computing the income of the corporation for any fiscal year ending at or before that time,

exceeds the aggregate of,

(*c*) the portion of the amount, if any, by which,

(i) the cost to the corporation of acquiring the bond, debenture, mortgage, hypothec or agreement for sale,

exceeds

(ii) the principal amount thereof at the time it was acquired by the corporation,

that was deducted in computing the income of the corporation for any fiscal year ending at or before that time; and

(*d*) the aggregate of all amounts that, before that time, the corporation became entitled to receive as or on account or in lieu of payment of or in satisfaction of the principal amount of the bond, debenture, mortgage, hypothec or agreement for sale.

13.—(1) Clause *a* of subsection 1 of section 39 of the said Act is amended by striking out "all expenditures of a current nature made in Canada in the fiscal year" in the first and second lines and inserting in lieu thereof "such amounts as may be claimed by the corporation not exceeding all expenditures of a current nature made in Canada by the corporation in the fiscal year or in any previous fiscal year ending after 1973". s. 39 (1) (*a*), amended

(2) Subsection 1 of section 39 is amended by striking out all that portion thereof following subclause ii of clause *b* and inserting in lieu thereof the following: s. 39 (1), amended

(*c*) such amounts as may be claimed by the corporation not exceeding all expenditures in the fiscal year or in any previous fiscal year ending after 1973 by way of repayment of amounts paid to the corporation under an *Appropriation Act* (Canada) and on terms and conditions approved by the Minister in respect of scientific research expenditures incurred for the purpose of advancing or sustaining the technological capability of Canadian manufacturing or other industry,

exceeds

(*d*) the aggregate of all amounts paid to the corporation in the fiscal year or in any previous fiscal year ending after 1973 under an *Appropriation Act* (Canada) and on terms and conditions described in clause *c*,

to the extent that such expenditures were not deducted in computing the income of the corporation for any previous fiscal year.

s. 41 (1) (*a*), amended

14. Clause *a* of subsection 1 of section 41 of the said Act is amended by striking out "or" at the end of subclause ii, by striking out "and" at the end of subclause iii and inserting in lieu thereof "or" and by adding thereto the following subclause:

(iv) a timber resource property; and

. . . . . .

s. 42 (2) (*a*), re-enacted

15.—(1) Clause *a* of subsection 2 of section 42 of the said Act is repealed and the following substituted therefor:

(*a*) subclause iii of clause *a* of subsection 1 does not apply to permit a corporation to claim any amount thereunder in computing a gain for a fiscal year if,

(i) the corporation, at the end of the fiscal year or at any time in the immediately following fiscal year, ceased to have a permanent establishment in Canada or was exempt from tax under any provision of this Part, or

(ii) the purchaser of the property sold is a corporation that, immediately after the sale,

(A) was controlled directly or indirectly by the corporation,

(B) was controlled directly or indirectly by a person or group of persons by whom the corporation was controlled directly or indirectly, or

(C) controlled the corporation directly or indirectly.

s. 42 (3) (*b*), re-enacted

(2) Clause *b* of subsection 3 of the said section 42 is repealed and the following substituted therefor:

(*b*) the aggregate of,

(i) the cost to the corporation of the property determined for the purpose of computing the adjusted cost base to it of that property at that time, and

(ii) all amounts required by subsection 1 of section 55 to be added to the cost to the corporation of the property in computing the adjusted cost base to it of that property at that time,

. . . . . .

16. Section 45 of the said Act is amended by inserting after "gain" in the first line "or loss". s. 45, amended

17. Section 46 of the said Act is repealed and the following substituted therefor: s. 46, re-enacted

Deferral of gain on involuntary disposition

46.—(1) Where in a fiscal year an amount has become receivable, as described in subsection 2, by a corporation as proceeds of disposition described in subclause iii or iv of clause *d* of subsection 17 of section 17 or subclause iii or iv of clause *i* of section 56 of any capital property, in this section referred to as its "former property", and, before the end of the second fiscal year following the fiscal year in which such amount became receivable, the corporation has acquired a capital property, in this section referred to as its "replacement property", as a replacement for the former property and the replacement property has not been disposed of by the corporation prior to the time it disposed of the former property, notwithstanding subsection 1 of section 42,

(*a*) the gain, if any, from the disposition of the former property is the lesser of,

(i) the gain therefrom otherwise determined, and

(ii) the amount, if any, by which the proceeds of disposition of the former property exceed the cost, or in the case of depreciable property the capital cost, to the corporation, determined without reference to clause *b*, of the replacement property;

(*b*) the cost, or in the case of depreciable property the capital cost, to the corporation of the replacement property, at any time after the time it disposed of the former property, shall be deemed to be the cost, or in the case of depreciable property the

capital cost, to the corporation of the replacement property otherwise determined, minus the amount, if any, by which the gain described in subclause i of clause *a* exceeds the amount, if any, determined under subclause ii of clause *a*; and

(*c*) where the replacement property was depreciable property of a prescribed class and that property was acquired by the corporation prior to the time it disposed of the former property, the amount, if any, by which,

(i) the reduction in the capital cost to it of the replacement property by virtue of clause *b*,

exceeds

(ii) the undepreciated capital cost to the corporation of depreciable property of the class to which the replacement property belongs, immediately before the reduction in the capital cost referred to in subclause i,

shall be included in computing the income of the corporation for the fiscal year in which the former property was disposed of and shall, for the purposes of subsection 2 of section 17 be deemed to have been so included by virtue of subsection 1 of section 17 in respect of a disposition of depreciable property of the class to which the replacement property belongs.

Idem

(2) For the purposes of this Act, the day on which a corporation has disposed of a property, the proceeds of disposition from which are described in subclause iii or iv of clause *d* of subsection 17 of section 17 or subclause iii or iv of clause *i* of section 56, and the day on which an amount has become receivable by that corporation as proceeds of disposition of such a property shall be deemed to be the earliest of,

(*a*) the day the corporation has agreed to an amount as full compensation to it for the property lost, destroyed, taken or sold;

(*b*) where a claim, suit, appeal or other proceeding has been taken before one or more tribunals or courts of competent jurisdiction, the day on which the corporation's compensation for the property is finally determined by such tribunals or courts;

(*c*) where a claim, suit, appeal or other proceeding, referred to in clause *b* has not been taken before a tribunal or court of competent jurisdiction within two years of the loss, destruction or taking of the property, the day that is two years following the day of the loss, destruction or taking;

(*d*) the day on which the corporation is deemed by section 50 to have disposed of the property; and

(*e*) where the corporation is not a subsidiary corporation referred to in subsection 1 of section 82, the day immediately before the winding up of the corporation,

and the corporation shall be deemed to have owned the property continuously until the day so determined.

18. Subsection 2 of section 47 of the said Act is amended by inserting after "where" in the first line "subclause i of". s. 47 (2), amended

19. Section 51 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 157, section 11, is further amended by adding thereto the following subsection: s. 51, amended

(5) Where a corporation has granted an option, in this subsection referred to as the "original option", to which subsection 1 or 2 applies, and has granted one or more extensions or renewals of that original option, Idem

(*a*) for the purposes of subsections 1 and 2, the granting of each extension or renewal shall be deemed to be the granting of an option at the time the extension or renewal is granted;

(*b*) for the purposes of subsections 2, 3 and 4 and subsubclause D of subclause ii of clause *c* of section 56, the original option and each extension or renewal thereof shall be deemed to be the same option; and

(*c*) subsection 4 shall be read as if the fiscal year in which the original option was granted and each fiscal year in which any extension or renewal thereof was granted were all initial fiscal years.

20. Section 53 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 157, section 12, is repealed and the following substituted therefor: s. 53, re-enacted

Convertible properties

53. Where shares of one class of the capital stock of a corporation have, after the 6th day of May, 1974, been acquired by a person in exchange for a capital property of the person that was a share, bond, debenture or note of the corporation, in this section referred to as a "convertible property", the terms of which conferred upon the holder the right to make the exchange and no consideration was received by the person for the convertible property other than shares of that class,

(*a*) the exchange shall be deemed not to have been a disposition of property; and

(*b*) the cost to the person of the shares shall be deemed to be the adjusted cost base to him of the convertible property immediately before the exchange.

s. 54 (1), amended

21.—(1) Subsection 1 of section 54 of the said Act is amended by inserting after "1971" in the second line "(other than property acquired as described in subsection 2, 3 or 6)".

s. 54 (1*a*), amended

(2) Subsection 1*a* of the said section 54, as enacted by the Statutes of Ontario, 1973, chapter 157, section 13, is amended by inserting after "1971" in the third line "(other than property acquired as described in subsection 2, 3 or 6)".

s. 55 (1) (*c*), amended

22.—(1) Clause *c* of subsection 1 of section 55 of the said Act is amended by striking out "loan" in the fifth line and inserting in lieu thereof "a loan or, subject to subsection 1*a*, a disposition of property in respect of which the corporation and that other corporation have made an election under section 79".

s. 55 (1), amended

(2) Subsection 1 of the said section 55, as amended by the Statutes of Ontario, 1973, chapter 157, section 14, is further amended by adding thereto the following clauses:

(*ca*) where the property is a share of the capital stock of a foreign affiliate of the corporation, any amount required by paragraph *a* of subsection 1 of section 92 of the *Income Tax Act* (Canada) to be added in computing the adjusted cost base to it of the share;

1970-71, c. 63 (Can.)

(*cb*) where the property is a capital interest of the corporation in a trust to which paragraph *d* of subsection 1 of section 94 of the *Income Tax Act* (Canada) applies, any amount required by paragraph *a* of subsection 5 of section 94 of that Act

to be added in computing the adjusted cost base to it of the interest.

(3) Subclause i of clause *d* of subsection 1 of the said section 55 is amended by inserting after "share" in the fourth line, "other than a share under an agreement referred to in subsection 1*a* of section 85,". s. 55 (1) (*d*) (i), amended

(4) Sub-subclause B of subclause i of clause *d* of subsection 1 of the said section 55 is repealed and the following substituted therefor: s. 55 (1) (*d*) (i) (B), re-enacted

(B) clause *b* of subsection 1 of section 31*a*, clause *b* of subsection 2 of section 31*a*, clause *h* of this subsection, section 57 and subsection 2 of section 75.

(5) Clause *d* of subsection 1 of the said section 55 is amended by striking out "and" at the end of subclause iii, by adding "and" at the end of subclause iv and by adding thereto the following subclauses: s. 55 (1) (*d*), amended

(v) the corporation's share, other than a share under an agreement referred to in subsection 1*a* of section 85, of the amount, if any, by which,

(A) any proceeds of disposition that become receivable by the partnership in respect of the disposition after 1971 of a property owned by the partnership on the 31st day of December, 1971 that is a property referred to in subsection 3 of section 59,

exceeds

(B) the relevant percentage as defined in subsection 4 of section 59 of the proceeds of disposition described in sub-subclause A, and

(vi) any amount deemed by clause *c* of subsection 1 of section 87*a* to be a gain of the corporation for a fiscal year from a disposition before that time of the property.

(6) Section 55 of the said Act, as amended by the Statutes of Ontario 1973, chapter 157, section 14, is further amended by adding thereto the following subsection: s. 55, amended

Deemed contribution of capital

(1*a*) For the purposes of clause *c* of subsection 1, where there has been a disposition of property before the 7th day of May, 1974, and,

(*a*) the corporation and the other corporation referred to in that clause have made an election under section 79 in respect of that property; and

(*b*) the consideration received by the corporation for the property did not include shares of the capital stock of the other corporation,

the disposition of property shall be deemed to be a contribution of capital equal to the amount, if any, by which,

(*c*) the amount that the corporation and the other corporation have agreed upon in the election,

exceeds

(*d*) the fair market value at the time of the disposition of any consideration received by the corporation for the property so disposed of.

s. 55 (2), amended

(7) Subsection 2 of the said section 55, as amended by the Statutes of Ontario, 1973, chapter 157, section 14, is further amended by adding thereto the following clauses:

(*aa*) where the property is a share of the capital stock of another corporation not resident in Canada, any amount required by paragraph *d* of subsection 4 of section 80.1 of the *Income Tax Act* (Canada) or section 92 of that Act to be deducted in computing the adjusted cost base to the corporation of the share;

1970-71, c. 63 (Can.)

(*ab*) where the property is a capital interest of the corporation in a trust to which paragraph *d* of subsection 1 of section 94 of the *Income Tax Act* (Canada) applies, any amount required by paragraph *b* of subsection 5 of section 94 of that Act to be deducted in computing the adjusted cost base to it of the interest.

s. 55 (2) (*b*) (i), amended

(8) Subclause i of clause *b* of subsection 2 of the said section 55 is amended by inserting after "share" in the fourth line "(other than a share under an agreement referred to in subsection 1*a* of section 85)".

s. 55 (2) (*b*) (ii), amended

(9) Subclause ii of clause *b* of subsection 2 of the said section 55 is amended by striking out all that portion

immediately preceding sub-subclause B and inserting in lieu thereof the following:

(ii) an amount in respect of each fiscal year of the partnership ending after 1971 and before that time, other than a fiscal year after the fiscal year in which the corporation ceased to be a member of the partnership, equal to the corporation's share of the aggregate of,

(A) amounts that, but for clause *d* of subsection 1 of section 85, would be deductible in computing the income of the partnership for the fiscal year by virtue of the provisions of *The Corporations Tax Application Rules, 1972* relating to Canadian exploration and development expenses, and

. . . . .

(10) Subclause iv of clause *b* of subsection 2 of the said section 55 is amended by inserting after "share" in the fourth line "(other than a share under an agreement referred to in subsection 1*a* of section 85)". s. 55 (2) (*b*) (iv), amended

(11) Subsection 2 of the said section 55 is further amended by adding thereto the following clause: s. 55 (2), amended

(*ea*) where the property is a share of the capital stock of a joint exploration corporation (hereafter in this clause referred to as the "company") resident in Canada and the corporation has, after 1971, made a contribution of capital to the company otherwise than by way of a loan, which contribution was included in computing the adjusted cost base of the property by virtue of clause *c* of subsection 1, such portion of the contribution as may reasonably be considered to be part of an agreed portion, within the meaning given to that expression by clause *a* of subsection 12 of section 63, of the company's Canadian exploration and development expenses.

(12) Clauses *h* and *i* of subsection 2 of the said section 55 are repealed and the following substituted therefor: s. 55 (2) (*h*, *i*), re-enacted

(*h*) where the property is a capital interest in a trust, other than a unit trust, not resident in Canada

that was purchased after 1971 by the corporation from a non-resident person at a time when the fair market value of such of the trust property as was,

(i) a Canadian resource property,

(ii) property that would have been a Canadian resource property if it had been acquired after 1971,

(iii) an income interest in a trust resident in Canada,

(iv) taxable Canadian property, or

(v) a timber resource property,

was not less than 50 per cent of the aggregate of,

(vi) the fair market value of all the trust property, and

(vii) the amount of any money of the trust on hand,

that proportion of the amount, if any, by which,

(viii) the fair market value at that time of such of the trust property as was property described in subclauses i to v,

exceeds

(ix) the aggregate of the adjusted cost bases to the trust at that time of such of the trust properties as were properties described in subclauses i to v,

that the fair market value at that time of the interest is of the fair market value at that time of all capital interests in the trust;

(*i*) where the property is a unit of a unit trust not resident in Canada that was purchased after 1971 by the corporation from a non-resident person at a time when the fair market value of such of the trust property as was,

(i) a Canadian resource property,

(ii) property that would have been a Canadian resource property if it had been acquired after 1971,

(iii) an income interest in a trust resident in Canada,

(iv) taxable Canadian property, or

(v) a timber resource property,

was not less than 50 per cent of the aggregate of,

(vi) the fair market value of all the trust property, and

(vii) the amount of any money of the trust on hand,

that proportion of the amount, if any, by which,

(viii) the fair market value at that time of such of the trust property as was property described in subclauses i to v,

exceeds

(ix) the aggregate of the adjusted cost bases to the trust at that time of such of the trust properties as were properties described in subclauses i to v,

that the fair market value at that time of the unit is of the fair market value at that time of all of the issued units of the trust.

(13) Clause *j* of subsection 2 of the said section 55 is repealed and the following substituted therefor: s. 55 (2) (*j*), re-enacted

(*j*) where the property was acquired by the corporation after 1971, the amount, if any, by which,

(i) the amount of any assistance which it has received or is entitled to receive before that time from a government, municipality or other public authority, in respect of, or for the acquisition of, the property, whether as a grant, subsidy, forgivable loan, investment allowance or as any other form of assistance other than,

(A) an amount authorized to be paid under an *Appropriation Act* (Canada) and on terms and conditions approved by the Minister in respect of scientific research expenditures incurred for the purpose of advancing and sustaining the technological capability of Canadian manufacturing or other industry, or

(B) an amount deducted as an allowance under section 62,

exceeds

(ii) such part, if any, of the assistance referred to in subclause i as has been repaid before that time by the corporation pursuant to an obligation to repay all or any part of that assistance.

s. 55 (2), amended

(14) Subsection 2 of the said section 55 is further amended by striking out "and" at the end of clause *l*, by adding "and" at the end of clause *m* and by adding thereto the following clause:

(*n*) where the property is a foreign resource property, any amount that has become receivable by the corporation at a particular time in a fiscal year as the result of a transaction that occurred after the 6th day of May, 1974, in which the consideration given by the corporation for the amount was property or services, the original cost of which may reasonably be regarded as having been foreign exploration and development expenses of the corporation, or would have been so regarded if they had been incurred by it after 1971.

s. 56 (*c*) (iii), amended

23.—(1) Subclause iii of clause *c* of section 56 of the said Act is amended by striking out "clause *v*" in the fourth line and inserting in lieu thereof "subclause v".

s. 56 (*e*), amended

(2) Clause *e* of the said section 56 is amended by adding "and" at the end of subclause iii and by adding thereto the following subclause:

(iv) any annual payment made by the corporation for the preservation of a foreign resource property or property that would have been a foreign resource property if it had been acquired by the corporation after 1971.

(3) Clause *i* of the said section 56 is amended by striking out all that portion following subclause viii and inserting in lieu thereof the following: s. 56 (*i*), amended

but notwithstanding any other provision of this Part, does not include,

(ix) any amount that would otherwise be proceeds of disposition of a share to the extent that such amount is deemed by subsection 2 or 3 of section 78 to be a dividend, or

(x) any amount that would otherwise be proceeds of disposition of a debt owing to a corporation to the extent that such amount,

(A) is deemed by subsection 1 of section 78*a* to be a dividend received by the corporation, and

(B) is a taxable dividend; and

. . . . . .

(4) Subclause ii of clause *j* of the said section 56 is repealed and the following substituted therefor: s. 56 (*j*) (ii), re-enacted

(ii) at the end of the period referred to in subclause i, the person or the corporation controlled by him, as the case may be, owned in any manner whatever the substituted property,

. . . . . .

(5) Subclause iii of clause *j* of the said section 56 is amended by inserting after "section 50" in the first line "section 52 or subsection 1 of section 47". s. 56 (*j*) (iii), amended

24. Clause *f* of subsection 1 of section 58 of the said Act is repealed and the following substituted therefor: s. 58 (1) (*f*), re-enacted

(*f*) amounts received by the corporation in the fiscal year as legal costs awarded to it by a court on an appeal in relation to, Legal costs

(i) an assessment of tax, interest or penalties under this Act or the *Income Tax Act* (Canada), or 1970-71, c. 63 (Can.)

(ii) a decision of the Unemployment Insurance Commission, a board of referees or an umpire under the *Unemployment Insurance Act, 1971* (Canada),

1970-71-72, c. 48 (Can.)

if with respect to that assessment or decision, as the case may be, an amount has been deducted or may be deductible under clause *b* of subsection 1 of section 60 in computing its income.

s. 59 (1), amended

25.—(1) Subsection 1 of section 59 of the said Act is amended by striking out "in a fiscal year" in the first line and by striking out the five lines immediately preceding subsection 2 and inserting in lieu thereof "the corporation's proceeds of disposition therefrom shall be included in computing the corporation's income for the fiscal year, to the extent that the proceeds become receivable in that year".

s. 59 (3), re-enacted

(2) Subsection 3 of the said section 59 is repealed and the following substituted therefor:

Disposition of resource property acquired before 1972

(3) Where a corporation has made a disposition of property owned, or deemed to have been owned, by it on the 31st day of December, 1971 and thereafter without interruption until the date of disposition that is property described in any of subclauses i to vi of clause *c* of subsection 12 of section 63 and is not property described in clause *b* of subsection 1, the following rules apply,

(*a*) the relevant percentage of the corporation's proceeds of disposition therefrom shall be included in computing the corporation's income for the fiscal year to the extent that the proceeds become receivable; and

(*b*) where the corporation and the person who acquired the property were not dealing with each other at arm's length, for the purposes of this section and section 63,

(i) the cost to that person of the property shall be deemed to be the amount included in the corporation's income by virtue of clause *a* in respect of the disposition by the corporation of the property, and

(ii) when that person subsequently disposes of the property or any right or interest therein, that person shall be deemed to have owned

the property on the 31st day of December, 1971 and thereafter without interruption until the disposition thereof.

(3) Subsection 4 of the said section 59 is amended by striking out "clauses *b* and *c* of subsection 3" in the first line and inserting in lieu thereof "this section" and by striking out "any amount receivable as consideration for the" in the second and third lines and inserting in lieu thereof "proceeds of". s. 59 (4), amended

(4) Subsection 5 of the said section 59 is repealed and the following substituted therefor: s. 59 (5), re-enacted

(5) In this section, "disposition" and "proceeds of disposition" have the meanings given to those expressions by section 56. "disposition" and "proceeds of disposition"

26. Clause *b* of subsection 1 of section 60 of the said Act is repealed and the following substituted therefor: s. 60 (1) (*b*), re-enacted

(*b*) amounts paid by the corporation in the fiscal year in respect of fees or expenses incurred in preparing, instituting or prosecuting an objection to, or an appeal in relation to, Expenses of objection or appeal

(i) an assessment of tax, interest or penalties under this Act or the *Income Tax Act* (Canada), or 1970-71, c. 63 (Can.)

(ii) a decision of the Unemployment Insurance Commission, a board of referees or an umpire under the *Unemployment Insurance Act, 1971* (Canada). 1970-71-72, c. 48 (Can.)

27.—(1) Subsection 1 of section 61 of the said Act is amended by striking out "receivable" in the thirteenth line and in the fifteenth line and inserting in lieu thereof in each instance "due". s. 61 (1), amended

(2) Clause *a* of subsection 1 of the said section 61 is amended by inserting after "59" in the first line "or clause *a* of subsection 10*b* of section 63". s. 61 (1) (*a*), amended

28.—(1) Subsection 2 of section 63 of the said Act is amended by inserting after "year" in the ninth line "and before the 7th day of May, 1974". s. 63 (2), amended

(2) Clause *b* of subsection 3*a* of the said section 63, as enacted by the Statutes of Ontario, 1974, chapter 75, s. 63 (3*a*) (*b*), amended

section 5, is amended by striking out "section" in the fourth line and inserting in lieu thereof "subsection".

s. 63 (3*a*) (*b*) (ii), amended

(3) Subclause ii of clause *b* of subsection 3*a* of the said section 63 is amended by striking out "section 100" in the second line and inserting in lieu thereof "sections 100 and 100*a*".

s. 63 (5), amended

(4) Subsection 5 of the said section 63 is amended by striking out "acquired from another principal-business corporation" in the third and fourth lines and inserting in lieu thereof "acquired, by purchase or otherwise, including an acquisition as the result of an amalgamation described in subsection 1 of section 81, from another principal-business corporation".

s. 63 (6), amended

(5) Subsection 6 of the said section 63 is amended by striking out "acquired from a corporation" in the third line and inserting in lieu thereof "acquired by purchase or otherwise, including an acquisition as a result of an amalgamation described in subsection 1 of section 81, from another corporation".

s. 63 (10), re-enacted

(6) Subsection 10 of the said section 63, as amended by the Statutes of Ontario 1974, chapter 75, section 5, is repealed and the following substituted therefor:

Limitation

(10) Except as otherwise provided in this section, where a corporation has incurred an outlay or expense in respect of which a deduction from income is authorized under more than one provision of this section, the corporation is not entitled to make the deduction under more than one provision but is entitled to select the provision under which to make the deduction.

s. 63, amended

(7) The said section 63, as amended by the Statutes of Ontario, 1973, chapter 157, section 17, and 1974, chapter 75, section 5, is further amended by adding thereto the following subsection:

Unitized oil or gas field in Canada

(10*b*) Where, pursuant to an agreement between a corporation and another person to unitize an oil or gas field in Canada, an amount has become receivable by the corporation at a particular time after the 6th day of May, 1974 from that other person in respect of Canadian exploration and development expenses incurred by the corporation, or expenses that would have been Canadian exploration and development expenses if they had been incurred by it after 1971, in respect of that field or any part thereof, the following rules apply,

(*a*) there shall, at that time, be included in computing the corporation's income for the fiscal year the amount that became receivable by it; and

(*b*) there shall, at that time, be included by the other person, where that person is a corporation, in its drilling or exploration expense the amount that became payable by that corporation.

(8) Subclause i of clause *a* of subsection 12 of the said section 63 is amended by striking out "iii" in the first line and inserting in lieu thereof "ii". s. 63 (12) (*a*) (i), amended

(9) Clause *b* of subsection 12 of the said section 63, as amended by the Statutes of Ontario, 1973, chapter 157, section 17, is further amended by striking out "and" at the end of subclause iv, by inserting "and" at the end of subclause v and by adding thereto the following subclause: s. 63 (12) (*b*), amended

(v*a*) any annual payment made by the corporation for the preservation of a Canadian resource property or property that would have been a Canadian resource property if it had been acquired by the corporation after 1971,

. . . . .

(10) Subclause vi of clause *c* of subsection 12 of the said section 63 is repealed and the following substituted therefor: s. 63 (12) (*c*) (vi), re-enacted

(vi) any right to or interest in any property, other than property of a trust, described in any of subclauses i to v, including a right to receive proceeds of disposition in respect of a disposition thereof.

(11) Clause *d* of subsection 12 of the said section 63 is repealed and the following substituted therefor: s. 63 (12) (*d*), re-enacted

(*d*) "drilling or exploration expense" incurred on or in respect of exploring or drilling for petroleum or natural gas includes any expense incurred on or in respect of,

(i) drilling or converting a well for the disposal of waste liquids from a petroleum or natural gas well,

(ii) drilling for water or gas for injection into a petroleum or natural gas formation, or

(iii) drilling or converting a well for the injection of water or gas to assist in the recovery of petroleum or natural gas from another well.

s. 63 (12) (*f*), amended

(12) Clause *f* of subsection 12 of the said section 63 is amended by striking out "or" at the end of subclause v, by striking out "and" at the end of subclause vi and inserting in lieu thereof "or" and by adding thereto the following subclause:

(vii) production or marketing of sodium chloride or potash, or whose business includes manufacturing products the manufacturing of which involves processing sodium chloride or potash; and

. . . . .

s. 66 (5), re-enacted

29. Subsection 5 of section 66 of the said Act is repealed and the following substituted therefor:

Idem

(5) Where in a fiscal year of a corporation property of the corporation has been appropriated in any manner whatever to, or for the benefit of, a shareholder, on the winding up of the corporation, the following rules apply,

(*a*) for the purpose of computing the corporation's income for the fiscal year,

(i) it shall be deemed to have sold each such property immediately before the winding up and to have received therefor the fair market value thereof at that time, and

(ii) clause *c* of subsection 2 of section 42 shall not apply in computing the loss, if any, from the sale of any such property;

(*b*) the shareholder shall be deemed to have acquired the property at a cost equal to its fair market value immediately before the winding up; and

(*c*) subsections 1, 1*a* and 2 of section 54 are not applicable for the purposes of determining the cost to the shareholder of the property.

Idem

(6) Where a corporation that operates an oil or gas well or a mineral resource in Canada disposes of any petroleum, natural gas or related hydrocarbons or metal or industrial minerals produced in the operation of such well or resource to,

(*a*) Her Majesty in right of Canada or a province;

(*b*) an agent of Her Majesty in right of Canada or a province; or

(*c*) a corporation, commission or association that is controlled, directly or indirectly in any manner whatever, by Her Majesty in right of Canada or a province or by an agent of Her Majesty in right of Canada or a province,

for no proceeds of disposition or for proceeds of disposition less than the fair market value thereof at the time the corporation so disposes of it, the corporation shall be deemed to have received proceeds of disposition therefor equal to that fair market value determined, in circumstances where the corporation is required by a law or contract to so dispose thereof, without regard to that law or contract.

Idem

(7) Where a corporation that operates an oil or gas well or a mineral resource in Canada acquires any petroleum, natural gas or related hydrocarbons or metal or industrial minerals produced in the operation of such well or resource from,

(*a*) Her Majesty in right of Canada or a province;

(*b*) an agent of Her Majesty in right of Canada or a province; or

(*c*) a corporation, commission or association that is controlled, directly or indirectly in any manner whatever, by Her Majesty in right of Canada or a province or by an agent of Her Majesty in right of Canada or a province,

for an amount in excess of the fair market value thereof at the time the corporation so acquired the petroleum, natural gas or related hydrocarbons or metal or industrial minerals, the corporation shall be deemed to have acquired the petroleum, natural gas or related hydrocarbons or metal or industrial minerals at that fair market value determined, in circumstances where the corporation is required by a law or contract to so acquire the petroleum, natural gas or related hydrocarbons or metal or industrial minerals, without regard to that law or contract.

Fair market value of resource output disposed of to Crown

(8) For the purposes of subsection 6, the fair market value at the time of disposition of a unit of any particular quantity of petroleum, natural gas or related hydrocarbons or metal or industrial minerals disposed of by the corporation referred to in that subsection to a person referred to in any of clauses *a* to *c* of that subsection shall be deemed to be the amount by which,

(*a*) the average proceeds of disposition that became receivable in the month that included that time by that person for the disposition of a like unit from a person other than a person referred to in any of clauses *a* to *c* of subsection 6,

exceeds

(*b*) the average aggregate of all expenses, including depreciation, incurred by that person in respect of that month for each such unit that may reasonably be attributed to transmitting, transporting, marketing or processing thereof to the extent that such expenses are reasonable and necessary and do not include any cost of acquisition thereof.

Fair market value of resource output acquired from Crown

(9) For the purposes of subsection 7, the fair market value of a unit of any particular quantity of petroleum, natural gas or related hydrocarbons or metal or industrial minerals acquired by the corporation referred to in that subsection from a person referred to in any of clauses *a* to *c* of that subsection shall be deemed to be equal to the amount, if any, paid or payable by the corporation to that person in respect of that unit.

Certain persons deemed to be the same person

(10) For the purposes of subsection 8, where a person referred to in any of clauses *a* to *c* of subsection 6 disposes of a unit of any particular quantity of petroleum, natural gas or related hydrocarbons or metal or industrial minerals to another person referred to in any of those clauses, those persons shall be deemed to be the same person.

s. 67 (4), re-enacted

30.—(1) Subsection 4 of section 67 of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 157, section 18, is repealed and the following substituted therefor:

Debt deemed not to be income debt
R.S.C. 1970, c. G-16

(4) Where a cash purchase ticket or other form of settlement prescribed pursuant to the *Canada Grain Act* or by the Minister is issued to a corporation in respect of grain delivered in a fiscal year of a corporation to a primary elevator or process elevator and such ticket or other form of settlement entitles the holder thereof to payment by the operator of the elevator of the purchase price, without interest, stated in the ticket for the grain at a date that is after the end of that fiscal year, the amount of the purchase price stated in the ticket or other form of settlement shall, notwithstanding any other provision of this section, be included in computing the income of the corporation to which the ticket or other form of settlement was issued for its fiscal year immediately

following the fiscal year in which the grain was delivered and not for the fiscal year in which the grain was delivered.

(2) Subsection 5 of the said section 67, as enacted by the Statutes of Ontario, 1973, chapter 157, section 18, is amended by striking out "and 'primary elevator'" in the second line and inserting in lieu thereof "'primary elevator' and 'process elevator'". s. 67 (5), amended

31. Clause *a* of section 68 of the said Act is repealed and the following substituted therefor: s. 68 (*a*), re-enacted

(*a*) the terms of the bond for which it was exchanged conferred upon the holder thereof the right to make the exchange; and

. . . . .

32. Section 74*a* of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 157, section 20, is amended by striking out "except paragraphs *c* and *d* of subsection 4 thereof" in the eleventh line. s. 74*a*, amended

33. The said Act is further amended by adding thereto the following section: s. 74*b*, enacted

74*b*. Where pursuant to a contract between a corporation and another person, in this section referred to as the "payee", any amount is paid or payable by the corporation or any property is transferred by the corporation to the payee as reimbursement in respect of any amount paid or payable referred to in clause *n* of subsection 1 of section 22 or the fair market value of any property paid or payable referred to in that clause by the payee to any of the persons referred to in any of subclauses i to iii of clause *n* of subsection 1 of section 22, for the purposes of this Act the following rules apply, Reimbursement by corporation for payment to Crown deemed paid direct to Crown

(*a*) the corporation shall be deemed to have paid the amount or property, as the case may be, to a person or persons referred to in any of those subclauses;

(*b*) the payee shall, to the extent of that reimbursement, be deemed not to have paid an amount or property, as the case may be;

(*c*) the payee shall be deemed not to have received any reimbursement from the corporation; and

(*d*) clause *o* of subsection 1 of section 16 shall not apply in respect of the amount or property paid or payable, as the case may be.

s. 75 (1) (*c*), amended

34.—(1) Clause *c* of subsection 1 of section 75 of the said Act is amended by striking out "by it" in the second line.

s. 75 (2) (*b*), amended

(2) Clause *b* of subsection 2 of the said section 75 is amended by adding thereto the following subclause:

(iii) "income derived from the operation of a mine" includes the income of a corporation from the processing, to the primary metal stage or its equivalent, of ore from a mineral resource owned by the corporation.

s. 78 (7), amended

35. Subsection 7 of section 78 of the said Act is amended by inserting after "section" in the first line "or section 78*a*".

s. 78*a*, enacted

36. The said Act is further amended by adding thereto the following section:

Deemed dividend on repayment of debt

78*a*.—(1) Where, at any time before a particular time and after the 18th day of November, 1974, a corporation incurred any debt as consideration for the purchase of shares of the capital stock of a second corporation and,

(*a*) at any time before the debt was incurred, any particular person, or the group of persons to whom the debt was owed at the time it was incurred,

(i) controlled the second corporation, directly or indirectly in any manner whatever, or

(ii) beneficially owned shares of the capital stock of the second corporation representing more than 50 per cent of its paid-up capital; and

(*b*) at any time before the particular time, the particular person or group of persons referred to in clause *a*,

(i) controlled the corporation, directly or indirectly in any manner whatever,

(ii) beneficially owned shares of the capital stock of the corporation representing more than 50 per cent of its paid-up capital, or

(iii) held an amount of debt payable by the corporation that exceeded the paid-up capital of the corporation, at a time when shares of the capital stock of the corporation representing more than 50 per cent of its paid-up capital were beneficially owned by,

(A) that particular person,

(B) that group of persons,

(C) persons related to the particular person or any member of the group of persons, or

(D) any combination of persons referred to in sub-subclause A, B or C,

the following rules apply,

(*c*) where the corporation has, at the particular time, made any payment on account of that debt, or any other debt substituted for that debt,

(i) a dividend shall be deemed to have been paid by the corporation at the particular time equal to the lesser of,

(A) the amount of that payment, and

(B) the amount, if any, by which,

1. the aggregate of the payment referred to in sub-subclause A and all payments made before the particular time on account of that debt, or any other debt substituted therefor,

exceeds

2. the debt limit of the corporation in respect of that debt,

(ii) a dividend shall be deemed to have been received at the particular time, by each person who received any portion of that payment, equal to that proportion of the dividend so deemed to have been paid by the corporation at that time that the portion of that payment received by that person is of the amount of that payment, and

(iii) section 77, except clause *c* of subsection 1 of section 77, shall be applicable to the dividend referred to in subclause i as though the persons referred to in subclause ii were shareholders of a class of shares of the capital stock of the corporation; and

(*d*) where any portion of that debt or any debt substituted for that debt, is converted into shares of the capital stock of the corporation, an amount equal to the lesser of,

(i) the portion of that debt, or any debt substituted for that debt, that was so converted, and

(ii) the amount, if any, by which,

(A) the amount of the debt owed by the corporation at the time it was incurred,

exceeds

(B) the debt limit of the corporation in respect of that debt,

shall be added to the aggregate of the amounts determined under subclause iv*a* of clause *d* of subsection 1 of section 83 at any time after the time of the conversion.

Debt limit defined

(2) For the purposes of this section, the "debt limit" of a corporation in respect of any debt incurred by it as consideration for the purchase of shares of the capital stock of a second corporation shall be the amount, if any, by which,

(*a*) the amount of the debt owed by the corporation at the time it was incurred,

exceeds

(*b*) the amount if any, by which the aggregate of,

(i) the amount of the debt owed by the corporation at the time it was incurred, and

(ii) the fair market value, at the time the debt was incurred, of any other consideration, other than shares of the capital stock of the corporation, given by the corporation for the purchase of the shares of the capital stock of the second corporation,

exceeds the lesser of,

(iii) the paid-up capital limit of the second corporation at the time the debt was incurred, and

(iv) the paid-up capital, at the time the debt was incurred, of the shares of the capital stock of the second corporation so purchased.

37. The said Act is further amended by adding thereto the following section: s. 78*b*, enacted

Special rules relating to shares issued or debt incurred before November 19, 1974

78*b*. Where a corporation has at any particular time before July, 1976, notified the Minister in writing that it wishes,

(*a*) to have subclause iv*a* of clause *d* of subsection 1 of section 83 apply to all shares, if any, issued by it before the 19th day of November, 1974; and

(*b*) to have section 78*a* apply to all debt, if any, incurred by it before the 19th day of November, 1974,

the following rules apply,

(*c*) subsection 6 of section 83 shall not apply for the purposes of computing the paid-up capital deficiency of the corporation at any time after the particular time;

(*d*) section 78*a* shall be read without reference to "and after the 18th day of November, 1974";

(*e*) the amount of any dividend that the corporation would, by virtue of clause *c* of subsection 1 of section 78*a*, be deemed to have paid in respect of payments, before the particular time, of or on account of any debt incurred by the corporation prior to the 19th day of November, 1974, or any debt substituted for that debt, shall be deemed to be nil;

(*f*) subclause iii of clause *b* of subsection 2 of section 78*a* shall be read as "the paid-up capital limit of the second corporation at the time the debt was incurred or on the 18th day of November, 1974, where that day is later"; and

(*g*) subclause iv of clause *b* of subsection 2 of section 78*a* shall be read as "the paid-up capital, at the time the debt was incurred, of the shares of the second corporation so purchased" (on the assumption that clause *c* of subsection 1 of section 83 applied at that time).

38.—(1) Subsection 1 of section 79 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 157, section 21, s. 79 (1), amended

is further amended by striking out all that portion thereof immediately preceding clause *a* and inserting in lieu thereof the following:

(1) Where a person has, after the 6th day of May, 1974, disposed of any property that was a capital property (other than real property or an option in respect thereof owned by a non-resident person), an eligible capital property, an inventory other than real property or a property referred to in subsection 2 of section 59 of the person to a Canadian corporation for consideration including shares of the capital stock of the corporation, if the person and the corporation, have jointly so elected in prescribed form and within the prescribed time, the following rules apply:

. . . . .

s. 79 (1), amended

(2) Subsection 1 of the said section 79 is further amended by adding thereto the following clause:

(*ca*) where the property was inventory or capital property (other than depreciable property of a prescribed class) of the person and the amount that the person and the corporation have agreed upon in their election in respect of the property is less than the lesser of,

(i) the fair market value of the property at the time of the disposition, and

(ii) the cost amount to the person of the property at the time of the disposition,

the amount so agreed upon shall, irrespective of the amount actually so agreed upon by them, be deemed to be an amount equal to the lesser of the amounts described in subclauses i and ii.

s. 79 (1) (*d*), amended

(3) Clause *d* of subsection 1 of the said section 79 is amended by striking out "and notwithstanding clauses *b* and *c*" in the fourteenth line.

s. 79 (1) (*e*), amended

(4) Clause *e* of subsection 1 of the said section 79 is amended by striking out "and notwithstanding clauses *b* and *c*" in the fourteenth line.

s. 79 (1), amended

(5) Subsection 1 of the said section 79 is further amended by adding thereto the following clauses:

(*ea*) where two or more properties, each of which is a property described in clause *d* or each of which is a property described in clause *e*, are disposed of at

the same time, clause *d* or *e*, as the case may be, applies as if each property so disposed of had been separately disposed of in the order designated by the person before the time prescribed for the filing of an election in respect of those properties or, if the person does not so designate any such order, in the order designated by the Minister;

(*eb*) where the fair market value of the property at the time of the disposition exceeds the greater of,

(i) the fair market value at the time of the disposition of the consideration received by the person for the property disposed of by him, and

(ii) the amount that the person and the corporation have agreed upon in their election in respect of the property, determined without reference to this clause,

and it is reasonable to regard any portion of such excess as a gift made by the person to or for the benefit of any other shareholder of the corporation, the amount that the person and the corporation have agreed upon in their election in respect of the property shall, irrespective of the amount actually so agreed upon by them, be deemed (except for the purposes of clauses *g* and *h*) to be an amount equal to the aggregate of,

(iii) the amount referred to in subclause ii, and

(iv) the portion of such excess that may reasonably be regarded as a gift made by the person to or for the benefit of any other shareholder of the corporation;

(*ec*) where, under any of clauses *ca*, *d* and *e*, the amount that the person and the corporation have agreed upon in their election in respect of the property, in this clause referred to as "the elected amount", would, subject to clause *c*, be deemed to be an amount that is greater or less than the amount that would be deemed to be the elected amount under clause *b*, the elected amount shall be deemed to be the greater of,

(i) the amount deemed by clause *ca*, *d* or *e*, as the case may be, to be the elected amount, and

(ii) the amount deemed by clause *b* to be the elected amount.

s. 79 (1) (*i*), re-enacted

(6) Clause *i* of subsection 1 of the said section 79 is repealed and the following substituted therefor:

(*i*) where the property so disposed of is taxable Canadian property of the person, all of the shares of the capital stock of the Canadian corporation received by him as consideration therefor shall be deemed to be taxable Canadian property of the person.

s. 79 (2), re-enacted

(7) Subsection 2 of the said section 79, as amended by the Statutes of Ontario, 1973, chapter 157, section 21, is repealed and the following substituted therefor:

Transfer of property to corporation from partnership

(2) Where, after the 6th day of May, 1974,

(*a*) a partnership has disposed of any partnership property that was a capital property (other than real property or an interest therein owned by a partnership that was not a Canadian partnership at the time of the disposition), an eligible capital property, an inventory other than real property or a property referred to in subsection 2 of section 59 of the partnership to a Canadian corporation for consideration, including shares of the capital stock of the corporation; and

(*b*) the corporation and all the members of the partnership have jointly so elected in prescribed form and in prescribed time,

clauses *a* to *i* of subsection 1 and subsection 1*a* are applicable in respect of the disposition *mutatis mutandis* as if the partnership were a person resident in Canada who had disposed of the property to the corporation.

s. 79 (2*a*), repealed

(8) Subsection 2*a* of the said section 79, as enacted by the Statutes of Ontario, 1973, chapter 157, section 21, is repealed.

s. 79 (4), re-enacted

(9) Subsection 4 of the said section 79 is repealed and the following substituted therefor:

Where loss from disposition of property to controlled corporation

(4) Where a person or a partnership has, after May 6, 1974, disposed of any capital property or eligible capital property of the person or partnership to a corporation that, immediately after the disposition, was controlled, directly or indirectly in any manner whatever, by the person or partner-

ship, or where the person is an individual by the spouse of such person, or by another person or group of persons by whom the person or partnership was controlled, directly or indirectly in any manner whatever and, but for this subsection, subsection 2 of section 28 and clauses *c* and *e* of subsection 2 of section 42, the person or partnership would have had a capital loss therefrom or a deduction pursuant to clause *a* of subsection 1 of section 28 in computing the income of the person or partnership for the fiscal year in which the person or partnership ceased to carry on a business, as the case may be, the following rules apply,

(*a*) notwithstanding section 28 and clauses *c* and *e* of subsection 2 of section 42, the capital loss therefrom of the person or partnership, or the deduction pursuant to clause *a* of subsection 1 of section 28 in computing the income of the person or partnership for the fiscal year in which the person or partnership ceased to carry on the business, as the case may be, otherwise determined shall be deemed to be nil; and

(*b*) in computing the adjusted cost base to the person or partnership of all shares of any particular class of the capital stock of the corporation owned by the person or partnership immediately after the disposition, there shall be added, in the case of capital property, the amount that is equal to, and in the case of eligible capital property, twice the amount that is equal to, that proportion of the amount, if any, by which,

(i) the cost amount to the person or partnership immediately before the disposition, of the property so disposed of,

exceeds

(ii) the proceeds to the person or partnership of disposition of the property or where the property was an eligible capital property, the eligible capital amount for the person or partnership, within the meaning assigned by section 18, as a result of the disposition of that property,

that

(iii) the fair market value, immediately after the disposition, of all shares of that class so owned by the person or partnership,

is of

(iv) the fair market value, immediately after the disposition, of all shares of the capital stock of the corporation so owned by the person or partnership.

s. 79*a*, enacted

39. The said Act is further amended by adding thereto the following section:

Share for share exchange

79*a*.—(1) Where shares of any particular class of the capital stock of a Canadian corporation, in this section referred to as the "purchaser", have, after the 6th day of May, 1974, been acquired by a person, in this section referred to as the "vendor", from the purchaser in exchange for capital property of the vendor that is shares of any particular class of the capital stock, in this section referred to as the "exchanged shares", of another corporation, in this section referred to as the "acquired corporation", subject to subsection 2, the following rules apply,

(*a*) except where the vendor has, in his return of income for the fiscal year in which the exchange occurred, included in computing his income for that year any portion of the gain or loss, otherwise determined, from the disposition of the exchanged shares, the vendor shall be deemed,

(i) to have disposed of the exchanged shares for proceeds of disposition equal to the adjusted cost base to him of those shares immediately before the exchange, and

(ii) to have acquired the shares of the purchaser at a cost to him equal to the adjusted cost base to him of the exchanged shares immediately before the exchange,

and where the exchanged shares were taxable Canadian property of the vendor, the shares of the purchaser so acquired by him shall be deemed to be taxable Canadian property of the vendor; and

(*b*) the cost to the purchaser of each exchanged share, at any particular time up to and including the time he disposed of such share, shall be deemed to be,

(i) its fair market value immediately before the exchange if, at the particular time or at any earlier time after the exchange, the purchaser owned shares of the capital stock of the acquired corporation,

(A) to which are attached not less than 10 per cent of all the votes that could then be cast for any and all purposes by holders of all shares of the capital stock of the acquired corporation, and

(B) that represent not less than 10 per cent of the fair market value of all issued and outstanding shares of the capital stock of the acquired corporation, and

(ii) in any other case, nil.

(2) Subsection 1 does not apply where, Where subs. 1 not to apply

(*a*) the vendor and purchaser were, immediately before the exchange, not dealing with each other at arm's length;

(*b*) the vendor or persons with whom he did not deal at arm's length, or the vendor together with persons with whom he did not deal at arm's length,

(i) controlled, directly or indirectly in any manner whatever, the purchaser, or

(ii) beneficially owned shares of the capital stock of the purchaser representing more than 50 per cent of its paid-up capital,

immediately after the exchange;

(*c*) the vendor and the purchaser have filed an election under subsection 1 or 2 of section 79 with respect to the exchanged shares; or

(*d*) consideration other than shares of the particular class of the capital stock of the purchaser was received by the vendor for the exchanged shares, notwithstanding that the vendor may have disposed of shares of the capital stock of the acquired corporation, other than the exchanged shares, to the purchaser for consideration other than shares of one class of the capital stock of the purchaser.

(3) Where a person has disposed of capital property that was shares of the capital stock of a foreign affiliate of the person to any corporation that was, immediately following the disposition, a foreign affiliate of the person (in this sub- Disposition of shares of foreign affiliate

section referred to as the "acquiring affiliate") for consideration including shares of the capital stock of the acquiring affiliate, the provisions of subsection 3 of section 85.1 of the *Income Tax Act* (Canada) apply for the purposes of this Act.

1970-71, c. 63 (Can.)

s. 80, re-enacted

40. Section 80 of the said Act is repealed and the following substituted therefor:

Exchanges of shares by a shareholder in course of reorganization of capital

80.—(1) Where, at a particular time after the 6th day of May, 1974, in the course of a reorganization of the capital of a corporation, a person has disposed of capital property that was all the shares of any particular class of the capital stock of the corporation that were owned by him at the particular time, in this section referred to as the "old shares", and property is receivable from the corporation therefor that includes other shares of the capital stock of the corporation, in this section referred to as the "new shares", the following rules apply,

(*a*) the cost to the person of any property (other than shares of the capital stock of the corporation) receivable by him for the old shares shall be deemed to be its fair market value at the time of the disposition;

(*b*) the cost to the person of any new shares of any class of the capital stock of the corporation receivable by him for the old shares shall be deemed to be that proportion of the amount, if any, by which the aggregate of the adjusted cost bases to him, immediately before the disposition, of the old shares exceeds the fair market value at that time of the consideration receivable therefor (other than shares of the capital stock of the corporation) that,

(i) the fair market value, immediately after the disposition, of those new shares of that class,

is of,

(ii) the fair market value, immediately after the disposition, of all new shares of the capital stock of the corporation receivable by him for the old shares; and

(*c*) the person shall be deemed to have disposed of the old shares for proceeds of disposition equal to the cost to him of all new shares and other property receivable by him for the old shares.

(2) This section is not applicable in any case where section 53 or any of subsections 1 to 3 of section 79 are applicable. Application

41.—(1) Clauses *a*, *b* and *c* of subsection 1 of section 81 of the said Act are repealed and the following substituted therefor: s. 81 (1) (*a-c*), re-enacted

(*a*) all of the property (except amounts receivable from any predecessor corporation or shares of the capital stock of any predecessor corporation) of the predecessor corporations immediately before the merger becomes property of the new corporation by virtue of the merger;

(*b*) all of the liabilities (except amounts payable to any predecessor corporation) of the predecessor corporations immediately before the merger become liabilities of the new corporation by virtue of the merger; and

(*c*) all of the shareholders (except any predecessor corporation) of the predecessor corporations immediately before the merger receive shares of the capital stock of the new corporation by virtue of the merger,

. . . . . .

(2) Clause *c* of subsection 2 of the said section 81 is repealed and the following substituted therefor: s. 81 (2) (*c*), re-enacted

(*c*) in computing the income of the new corporation for a fiscal year from a business or property, Method adopted for computing income

(i) there shall be included any amount received or receivable (depending upon the method followed by the new corporation in computing its income for that year) by it in that year that would, if it had been received or receivable (depending upon the method followed by the predecessor corporation in computing its income for its last fiscal year) by the predecessor corporation in its last fiscal year, have been included in computing the income of the predecessor corporation for that year, and

(ii) there may be deducted any amount paid or payable (depending upon the method followed by the new corporation in computing

its income for that year) by it in that year that would, if it had been paid or payable (depending upon the method followed by the predecessor corporation in computing its income for its last fiscal year) by the predecessor corporation in its last fiscal year, have been deductible in computing the income of the predecessor corporation for that year.

s. 81 (2), amended

(3) Subsection 2 of the said section 81, as amended by the Statutes of Ontario, 1973, chapter 157, section 22, is further amended by adding thereto the following clause:

Depreciable property acquired from predecessor corporation

(*da*) for the purposes of this Act, where depreciable property, other than property of a prescribed class, has been acquired by the new corporation from a predecessor corporation, the new corporation shall be deemed to have acquired the property before 1972 at an actual cost equal to the actual cost thereof to the predecessor corporation, and the new corporation shall be deemed to have been allowed the aggregate of all amounts allowed to the predecessor corporation in respect of the property, under regulations made under clause *a* of subsection 1 of section 24, in computing the income of the predecessor corporation.

s. 81 (2) (*k*), re-enacted

(4) Clause *k* of subsection 2 of the said section 81 is repealed and the following substituted therefor:

Scientific research

(*k*) for the purposes of section 39,

(i) an amount equal to the aggregate of all amounts each of which is the amount of an expenditure referred to in clause *a* of subsection 1 of section 39 made by a predecessor corporation shall, to the extent that it was not deducted by the predecessor corporation in computing its income for a fiscal year, be deemed to be an expenditure of a current nature on scientific research made in Canada by the new corporation in its first fiscal year,

(ii) an amount equal to the aggregate of all amounts each of which is the amount of an expenditure referred to in subclause i of clause *b* of subsection 1 of section 39 made by a predecessor corporation shall, to the extent that it was not deducted by the

predecessor corporation in computing its income for a fiscal year, be deemed to be an expenditure of a capital nature on scientific research made in Canada by the new corporation in its first fiscal year,

(iii) an amount equal to the aggregate of all amounts each of which is the amount of an expenditure referred to in clause *c* of subsection 1 of section 39 made by a predecessor corporation shall, to the extent that it was not deducted by a predecessor corporation in computing its income for a fiscal year, be deemed to be an expenditure incurred by the new corporation in its first fiscal year by way of repayment of an amount paid to the new corporation under an *Appropriation Act* (Canada), and on terms and conditions described in clause *c* of subsection 1 of section 39, and

(iv) an amount equal to the aggregate of all amounts each of which is an amount paid to a predecessor corporation referred to in clause *d* of subsection 1 of section 39 shall be deemed to be an amount paid to the new corporation in its first fiscal year under an *Appropriation Act* (Canada) and on terms and conditions described in clause *c* of subsection 1 of section 39;

Property lost, destroyed or taken

(*ka*) if the amalgamation was after the 6th day of May, 1974 and a property of a predecessor corporation was lost, destroyed or taken under statutory authority prior to the amalgamation, sections 17 and 46 apply to the new corporation as though,

(i) the new corporation had been in existence and owned that property at the time it was so lost, destroyed or taken,

(ii) the cost or capital cost, as the case may be, of that property to the new corporation were its cost or capital cost, as the case may be, to the predecessor corporation, and

(iii) where the predecessor corporation had acquired a replacement property for that property before the amalgamation, the new corporation had acquired that replacement property immediately after the amalgamation.

s. 81 (2) (*p*), amended

(5) Clause *p* of subsection 2 of the said section 81 is amended by inserting after "time" in the third line "after the amalgamation".

s. 81 (2) (*q*), amended

(6) Clause *q* of subsection 2 of the said section 81 is amended by striking out all that portion thereof immediately preceding subclause i and inserting in lieu thereof the following:

1971 capital surplus on hand and paid-up capital deficiency

(*q*) for the purpose of computing the 1971 capital surplus on hand or the paid-up capital deficiency, as the case may be, of the new corporation at any time after the amalgamation, there shall be added to the aggregate of the amounts determined under subclause iv of clause *l* of subsection 1 of section 83, the amount, if any, by which,

. . . . . .

s. 81 (2) (*r*), amended

(7) Clause *r* of subsection 2 of the said section 81 is amended by striking out all that portion thereof immediately preceding subclause i and inserting in lieu thereof the following:

Idem

(*r*) for the purpose of computing the 1971 capital surplus on hand or the paid-up capital deficiency, as the case may be, of the new corporation at any time after the amalgamation, there shall be added to the aggregate of the amounts determined under subclause iii of clause *d* of subsection 1 of section 83 the amount, if any, by which,

. . . . . .

s. 81 (2), amended

(8) Subsection 2 of the said section 81 is further amended by adding thereto the following clause:

Idem

(*ra*) for the purpose of computing the 1971 capital surplus on hand or the paid-up capital deficiency, as the case may be, of the new corporation at any time after the amalgamation, there shall be added to the aggregate of the amounts determined under subclause iii of clause *d* of subsection 1 of section 83 the amount, if any, by which,

(i) the paid-up capital of the new corporation immediately after the amalgamation,

exceeds

(ii) the aggregate of amounts each of which is the paid-up capital in respect of a share

(except a share held by any other predecessor corporation) of the capital stock of a predecessor corporation immediately before the amalgamation.

(9) Clause *s* of subsection 2 of the said section 81 is amended by striking out "vii" in the fourth line and inserting in lieu thereof "xiv". s. 81 (2) (*s*), amended

(10) Subsection 2 of the said section 81 is further amended by adding thereto the following clause: s. 81 (2), amended

(*sa*) where one or more shares of the capital stock of a foreign affiliate of a predecessor corporation have, by virtue of the amalgamation, been acquired by the new corporation and as a result thereof the affiliate has become a foreign affiliate of the new corporation, the provisions of paragraph *u* of subsection 2 of section 87 of the *Income Tax Act* (Canada) apply for the purposes of this Act. Shares of foreign affiliate 1970-71, c. 63 (Can.)

(11) Clause *w* of subsection 2 of the said section 81 is repealed and the following substituted therefor: s. 81 (2) (*w*), re-enacted

(*w*) for the purpose of computing, at any particular time after the amalgamation, the capital dividend account for a new corporation that has been a private corporation continuously from the time of the amalgamation to the particular time, there shall be added the amount of the capital dividend account of any predecessor corporation immediately before the amalgamation. Capital dividend account

(12) Clause *a* of subsection 3 of the said section 81 is amended by striking out "subclauses i to iv" in the eighth line and inserting in lieu thereof "subclause iii". s. 81 (3) (*a*), amended

(13) Subsection 4 of the said section 81, as amended by the Statutes of Ontario, 1973, chapter 157, section 22, is repealed and the following substituted therefor: s. 81 (4), re-enacted

(4) Where there has been an amalgamation of two or more corporations after the 6th day of May, 1974, each shareholder (except any predecessor corporation) who, immediately before the amalgamation, owned shares of the capital stock of a predecessor corporation (in this subsection referred to as the "old shares") that were capital property to him and who received no consideration for the disposition of those shares on the amalgamation, other than shares of the capital stock of the new corporation (in this section referred to as the "new shares") shall be deemed, Shares of predecessor corporation

(*a*) to have disposed of the old shares for proceeds equal to the aggregate of the adjusted cost bases to him of those shares immediately before the amalgamation; and

(*b*) to have acquired the new shares of any particular class of the capital stock of the new corporation at a cost to him equal to that proportion of the proceeds described in clause *a* that,

(i) the fair market value, immediately after the amalgamation, of all new shares of that particular class so acquired by him,

is of

(ii) the fair market value, immediately after the amalgamation, of all new shares so acquired by him,

and where the old shares were taxable Canadian property of the shareholder, the new shares shall be deemed to be taxable Canadian property of the shareholder.

s. 81 (5), re-enacted

(14) Subsection 5 of the said section 81, as re-enacted by the Statutes of Ontario, 1973, chapter 157, section 22, is repealed and the following substituted therefor:

Options to acquire shares of predecessor corporation

(5) Where there has been an amalgamation of two or more corporations after the 6th day of May, 1974, each person, except any predecessor corporation, who immediately before the amalgamation owned a capital property that was an option to acquire shares of the capital stock of a predecessor corporation, in this subsection referred to as the "old option", and who received no consideration for the disposition of that option on the amalgamation, other than an option to acquire shares of the capital stock of the new corporation, in this subsection referred to as the "new option", shall be deemed,

(*a*) to have disposed of the old option for proceeds equal to the adjusted cost base to him of that option immediately before the amalgamation; and

(*b*) to have acquired the new option at a cost to him equal to the proceeds described in clause *a*,

and where the old option was taxable Canadian property of the person, the new option shall be deemed to be taxable Canadian property of the person.

(15) Subsection 6 of the said section 81 is repealed and the following substituted therefor: s. 81 (6), re-enacted

(6) Notwithstanding subsection 7, where there has been an amalgamation of two or more corporations after the 6th day of May, 1974, each person, except any predecessor corporation, who immediately before the amalgamation owned a capital property that was a bond, debenture, mortgage, note or other similar obligation of a predecessor corporation, in this subsection referred to as the "old property", and who received no consideration for the disposition of the old property on the amalgamation other than a bond, debenture, mortgage, note or other similar obligation respectively, of the new corporation, in this subsection referred to as the "new property", shall, if the amount payable to the holder of the new property on its maturity is the same as the amount that would have been payable to the holder of the old property on its maturity, be deemed, Obligations of predecessor corporation

(*a*) to have disposed of the old property for proceeds equal to the adjusted cost base to him of that property immediately before the amalgamation; and

(*b*) to have acquired the new property at a cost to him equal to the proceeds described in clause *a*.

(7) Where there has been an amalgamation of two or more corporations after the 6th day of May, 1974 and, Idem

(*a*) a debt or other obligation of a predecessor corporation, other than any such debt or other obligation owed to any other predecessor corporation, was outstanding immediately before the amalgamation and became a debt or other obligation, as the case may be, of the new corporation on the amalgamation; and

(*b*) the amount payable by the new corporation on the maturity of the debt or other obligation, as the case may be, is the same as the amount that would have been payable by the predecessor corporation on its maturity,

the provisions of this Act,

(*c*) shall not apply in respect of the transfer of such debt or other obligation to the new corporation; and

(*d*) shall apply as if the new corporation had incurred or issued the debt or other obligation at the time it was incurred or issued by the predecessor corporation.

Merger of foreign affiliate

(8) Where there has been a merger of a foreign affiliate of a person, in this subsection referred to as a "predecessor affiliate", and one or more other corporations to form one corporate entity that, immediately after the merger, is a foreign affiliate of the person and such merger is not as a result of the acquisition of property of one corporation by another corporation, pursuant to the purchase of such property by the other corporation, or as a result of the distribution of such property to another corporation upon the winding up of the predecessor affiliate, the provisions of subsection 8 of section 87 of the *Income Tax Act* (Canada) apply for the purposes of this Act.

1970-71, c. 63 (Can.)

s. 82 (1), amended

42.—(1) Subsection 1 of section 82 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 157, section 23, is further amended by striking out all that portion thereof immediately preceding clause *b* and inserting in lieu thereof the following:

Winding up of wholly-owned Canadian corporation

(1) Where a Canadian corporation, in this section referred to as the "subsidiary", has been wound up after the 6th day of May, 1974 and all of the issued shares of the capital stock thereof were, immediately before the winding up, owned by another Canadian corporation, in this section referred to as the "parent", notwithstanding any other provisions of this Act, the following rules apply,

(*a*) subject to clause *aa*, each property of the subsidiary that was distributed to the parent on the winding up shall be deemed to have been disposed of by the subsidiary for proceeds equal to,

(i) in the case of any property described in subsection 2 of section 59, nil,

(ii) in the case of any eligible capital property, an amount equal to twice the cost amount to the subsidiary of such property immediately before the winding up, and

(iii) in the case of any other property, the cost amount to the subsidiary of the property immediately before the winding up;

(*aa*) each property of the subsidiary that was distributed to the parent on the winding up shall, for

the purpose of subclause ii or xiv of clause *l* of subsection 1 of section 83, be deemed not to have been disposed of.

(2) Subclause ii of clause *b* of subsection 1 of the said section 82, as amended by the Statutes of Ontario, 1973, chapter 157, section 23, is further amended by striking out "minus any subsequent deduction from that adjusted cost base that is required by subsection 2 of section 55 to be made as a result of the deemed dividend referred to in clause *e*" in the amendment of 1973. s. 82 (1) (*b*) (ii), amended

(3) Clause *d* of subsection 1 of the said section 82 is amended by striking out all that portion immediately preceding subclause ii and inserting in lieu thereof the following: s. 82 (1) (*d*), amended

(*d*) the amount determined under this clause in respect of each property that was a capital property, other than a depreciable property, of the subsidiary is such portion of the amount, if any, by which the aggregate determined under subclause ii of clause *b* exceeds the aggregate of,

(i) the amount, if any, by which,

(A) the aggregate of amounts each of which is an amount in respect of any property owned by the subsidiary immediately before the winding up, equal to the cost amount to the subsidiary of the property immediately before the winding up, plus the amount of any money of the subsidiary on hand immediately before the winding up,

exceeds the aggregate of,

(B) all amounts each of which is the amount of any debt owing by the subsidiary, or of any other obligation of the subsidiary to pay any amount, that was outstanding immediately before the winding up, and

(C) the amount of any reserve, other than a reserve referred to in clause *p* of subsection 1 of section 24, subclause iii of clause *a* of subsection 1 of section 42 or subsection 1 of section 61, deducted in computing the subsidiary's

income for its fiscal year during which its assets were distributed to the parent on the winding up,

(i*a*) the amount of the subsidiary's tax-paid undistributed surplus on hand at the time it was wound up, and

(i*b*) the amount of the subsidiary's 1971 capital surplus on hand at the time it was wound up,

as is designated by the parent in respect of that capital property in its return of income under this Part for its fiscal year in which the subsidiary was so wound up, except that,

. . . . .

s. 82 (1) (*e*), re-enacted

(4) Clause *e* of subsection 1 of the said section 82, as amended by the Statutes of Ontario, 1973, chapter 157, section 23, is repealed and the following substituted therefor:

(*e*) subsection 2 of section 78 and section 21 of *The Corporations Tax Application Rules, 1972* are not applicable to the winding up of the subsidiary;

(*ea*) the subsidiary may, for the purpose of computing its income for its fiscal year during which its assets were transferred to the parent on the winding up, claim any reserve that would have been allowed under this Part if its assets had not been transferred to the parent on the winding up and notwithstanding any other provision of this Part, no amount shall be included in respect of any reserve so claimed in computing the income of the subsidiary for its fiscal year, if any, following the year in which its assets were transferred to the parent;

(*eb*) the provisions of clauses *c*, *da*, *g* to *sa*, *v* and *w* of subsection 2 of section 81 and, subject to section 69, subsection 7 of section 81 apply to the winding up as if the references therein to,

(i) "amalgamation" were read as "winding up",

(ii) "predecessor corporation" were read as "subsidiary",

(iii) "new corporation" were read as "parent",

(iv) "its first fiscal year" were read as "its fiscal year during which it received the assets of the subsidiary on the winding up",

(v) "its last fiscal year" were read as "its fiscal year during which its assets were distributed to the parent on the winding up",

(vi) "predecessor corporation's gain" were read as "subsidiary's gain",

(vii) "new corporation's gain" were read as "parent's gain",

(viii) "predecessor corporation's income" were read as "subsidiary's income",

(ix) "new corporation's income" were read as "parent's income",

(x) "tax-paid undistributed surplus on hand immediately before the amalgamation" were read as "tax paid undistributed surplus on hand, at the time the subsidiary was wound up",

(xi) "the aggregate of amounts each of which is the 1971 capital surplus on hand, if any, of a predecessor corporation immediately before the amalgamation" were read as "the amount of the subsidiary's 1971 capital surplus on hand at the time the subsidiary was wound up",

(xii) "the aggregate of amounts each of which is the paid-up capital deficiency, if any, of a predecessor corporation immediately before the amalgamation" were read as "the amount of the subisidary's paid-up capital deficiency at the time the subsidiary was wound up", and

(xiii) "the capital dividend account of any predecessor corporation immediately before the amalgamation" were read as "the capital dividend account of the subsidiary at the time the subsidiary was wound up";

(*ec*) for the purposes of clauses *a* and *b* of subsection 1 of section 98, gifts made by the subsidiary in its last fiscal year shall, to the extent that they were

not deductible in computing its taxable income for that fiscal year, be deemed to have been made by the parent in its first fiscal year ending after the subsidiary was wound up; and

. . . . .

s. 82 (2), amended

(5) Subsection 2 of the said section 82, as enacted by the Statutes of Ontario, 1973, chapter 157, section 23, is amended by striking out "whether or not it is a subsidiary" in the first and second lines and inserting in lieu thereof "other than a subsidiary" and by striking out "1971" in the third line and inserting in lieu thereof "the 6th day of May, 1974".

s. 82 (2) (*a*) (vi), re-enacted

(6) Subclause vi of clause *a* of subsection 2 of the said section 82 is repealed and the following substituted therefor:

(vi) each property of the corporation that was so distributed at the particular time shall be deemed to have been disposed of by the corporation immediately before the end of the fiscal year so deemed to have ended for proceeds equal to the fair market value thereof immediately before the particular time; and

. . . . .

s. 82 (2) (*b*), amended

(7) Clause *b* of subsection 2 of the said section 82 is amended by striking out "or clause *e* of subsection 1" in the second line.

s. 82, amended

(8) The said section 82 is further amended by adding thereto the following subsection:

Dissolution of foreign affiliate

(3) Where on the dissolution of a foreign affiliate of a person one or more shares of the capital stock of another foreign affiliate of the person have been disposed of to the person, the provisions of subsection 3 of section 88 of the *Income Tax Act* (Canada) apply for the purposes of this Act.

1970-71, c. 63 (Can.)

s. 83 (1) (*b*) (i), re-enacted

43.—(1) Subclause i of clause *b* of subsection 1 of section 83 of the said Act is repealed and the following substituted therefor:

(i) one-half of the amount, if any, by which the aggregate of the capital gains of the corporation, for the period commencing on the first day of the first fiscal year commencing after the time the corporation last became a private corporation and ending after 1971, and ending immediately before the particular time, exceeds the aggregate of its capital losses for that period.

(2) Clause *c* of subsection 1 of the said section 83 is repealed and the following substituted therefor: s. 83 (1) (*c*), re-enacted

(*c*) "paid-up capital" at any particular time means,

(i) in respect of a share of any class of the capital stock of a corporation, an amount equal to the paid-up capital at that time, in respect of the class of shares of the capital stock of the corporation to which that share belongs, divided by the number of issued shares of that class outstanding at that time,

(ii) in respect of a class of shares of the capital stock of a corporation, the amount, if any, by which the aggregate of,

(A) an amount equal to the paid-up capital in respect of that class of shares at that time, determined without reference to this subclause,

(B) all amounts each of which is an amount in respect of the issue of any share of that class by the corporation before that time equal to the amount, if any, by which,

1. the fair market value, at the time that share was issued, of the consideration received by the corporation for the issue of that share,

exceeds

2. the amount by which the paid-up capital referred to in sub-subclause A was increased by virtue of the issue of that share, and

(C) all amounts each of which is the amount by which,

1. that portion of the amount, if any, by which,

i. any contribution of property, other than eligible capital property, before that time to the corporation by a shareholder who owned shares of that class,

exceeds

ii. any consideration given by the corporation in respect of that contribution of property,

that cannot reasonably be regarded as a gift made to or for the benefit of any other shareholder of the corporation,

exceeds

2. the portion of the portion determined under paragraph 1 that has otherwise been included in the paid-up capital in respect of that or any other class of shares of the capital stock of the corporation,

exceeds the aggregate of,

(D) all amounts each of which is an amount in respect of the redemption, acquisition or cancellation in any manner whatever, before that time, of a share of that class by the corporation equal to the amount, if any, by which,

1. the paid-up capital in respect of that share immediately before such redemption, acquisition or cancellation,

exceeds

2. the reduction in the amount of the paid-up capital referred to in sub-subclause A by virtue of such redemption, acquisition or cancellation,

(E) all amounts each of which is an amount in respect of a reduction of the paid-up capital of that class, before that time, otherwise than by way of redemption, acquisition or cancellation of shares of that class equal to the amount, if any, by which,

1. the amount paid by the corporation on the reduction of the paid-up capital,

exceeds

2. the reduction in the amount of the paid-up capital referred to in sub-subclause A by virtue of such reduction, and

(F) all amounts each of which is the amount of a dividend that the corporation would, but for this clause, have been deemed, by subsection 1 of section 78, to have paid before that time on an increase in the paid-up capital of that class of shares other than an increase on the issue of a share of that class or by virtue of the amalgamation of two or more corporations, and

(iii) in respect of all the shares of the capital stock of a corporation, an amount equal to the aggregate of all amounts each of which is an amount equal to the paid-up capital in respect of any class of shares of the capital stock of the corporation at the particular time.

(3) Clause *d* of subsection 1 of the said section 83 is amended by striking out all that portion thereof immediately preceding subclause v and inserting in lieu thereof the following: s. 83 (1) (*d*), amended

(*d*) "paid-up capital deficiency" of a corporation at any particular time after the 6th day of May, 1974 means the amount, if any, by which the aggregate of,

(i) the amounts determined under subclauses xii and xiii of clause *l* in respect of the corporation,

(ii) all amounts determined under subclauses xiv, xv and xviii of clause *l* in respect of the corporation at the particular time,

(iii) all amounts each of which is an amount equal to the paid-up capital at the particular time in respect of a share of the capital stock of

the corporation issued after 1971 that was received by a person as described in subsection 1 of section 37 if that person, or that person together with other persons with whom he does not deal at arm's length, controlled the corporation directly or indirectly in any manner whatever immediately after the time the share was issued,

(iv) where subsection 1 or 2 of section 79 has been applicable in respect of any disposition of property (other than a disposition after the 6th day of May, 1974 and before the 19th day of November, 1974) to the corporation before the particular time, the amount, if any, by which,

(A) the amount by which any increase, by virtue of the disposition, in the paid-up capital of the corporation exceeds any increase, by virtue of the disposition, in the value of its assets (determined as though the value of any property so transferred were its cost to the corporation for the purposes of this Part and as though this Part were read without reference to subsection 5 of section 79) less its liabilities,

exceeds

(B) the amount by which any increase, by virtue of the disposition, in the paid-up capital of the corporation exceeds any increase, by virtue of the disposition, in the value of its assets less its liabilities, and

(iv*a*) where the particular time is after the 18th day of November, 1974 and where at any time before the particular time the corporation issued any shares of its capital stock as consideration for the purchase of shares of the capital stock of a second corporation and,

(A) at any time before those shares were so issued, any particular person or the group of persons to whom those shares were issued,

1. controlled the second corporation, directly or indirectly in any manner whatever, or

2. beneficially owned shares of the capital stock of the second corporation representing more than 50 per cent of its paid-up capital, and

(B) at any time before the particular time, the particular person or group of persons referred to in sub-subclause A,

1. controlled the corporation directly or indirectly in any manner whatever,

2. beneficially owned shares of the capital stock of the corporation representing more than 50 per cent of its paid-up capital, or

3. held an amount of debt payable by the corporation that exceeded the paid-up capital of the corporation, at a time when shares of the capital stock of the corporation representing more than 50 per cent of its paid-up capital were beneficially owned by,

i. that particular person,

ii. that group of persons,

iii. persons related to that particular person or any member of that group of persons, or

iv. any combination of persons referred to in this paragraph,

all amounts each of which is an amount in respect of any shares so issued at any given time equal to the amount, if any, by which the lesser of,

(C) subject to subsection 6, the increase in the paid-up capital of the corporation by virtue of the issue of those shares, on the assumption that clause *c* applied on the issue of those shares, and

(D) the amount, if any, by which the aggregate of the increase in the paid-up capital of the corporation by virtue of the issue of those shares, on the assumption that clause *c* applied on the issue of those shares, and the fair market value at that time of any other consideration given by the corporation at that time for the purchase of the shares of the second corporation exceeds the lesser of,

1. the paid-up capital limit of the second corporation at that time or on the 18th day of November, 1974 where that day is later, and

2. the aggregate of all amounts each of which is the paid-up capital at that time of each share of the second corporation so purchased at that time, on the assumption that clause *c* applied at that time,

exceeds the aggregate of,

(E) the amount of any dividend that the corporation is deemed by virtue of subsection 1 of section 78 to have paid as a result of the issue of those shares, and

(F) the amount determined under subclause iv in respect of the corporation as a result of the issue of those shares,

exceeds the aggregate of,

. . . . .

s. 83 (1) (*d*) (vi), amended

(4) Subclause vi of clause *d* of subsection 1 of the said section 83 is amended by striking out "iii, iv and iv.1" in the second line and inserting in lieu thereof "to x".

s. 83 (1) (*d*) (ix), amended

(5) Subclause ix of clause *d* of subsection 1 of the said section 83 is amended by inserting after "clause *a*" in the sixth line "or *c*".

(6) Clause *l* of subsection 1 of the said section 83, as amended by the Statutes of Ontario, 1973, chapter 157, section 24, is repealed and the following substituted therefor: s. 83 (1) (*l*), re-enacted

(*l*) "1971 capital surplus on hand" of a corporation at any particular time after the 6th day of May, 1974, means the amount, if any, by which the aggregate of,

(i) the tax equity of the corporation at the end of its 1971 fiscal year,

(ii) subject to subsection 5, all amounts each of which is an amount in respect of a capital property of the corporation owned by it on December 31, 1971 and disposed of by it after that date and before the particular time equal to the amount, if any, by which the lesser of its fair market value on the day fixed by proclamation for the purposes of subdivision B and the corporation's proceeds of disposition thereof exceeds its actual cost to the corporation determined without reference to *The Corporations Tax Application Rules, 1972*, other than subsections 15, 17 and 21 to 27 of section 26 thereof,

(iii) all amounts each of which is an amount in respect of a capital property owned by it at the end of its 1971 fiscal year or acquired by it thereafter and disposed of by the corporation before 1972, equal to the amount, if any, by which the corporation's proceeds of disposition thereof exceeds its actual cost to the corporation determined without reference to *The Corporations Tax Application Rules, 1972*,

(iv) all amounts each of which is an amount in respect of a dividend received by the corporation on a share of the capital stock of another corporation after 1971 and before the particular time, which amount was, by virtue of subsection 1 of section 77, not included in computing the income of the corporation by virtue of this Subdivision, minus such portion, if any, of that amount as was payable out of the other corporation's tax-paid undistributed surplus on hand, and

(v) all amounts each of which is an amount in respect of an eligible capital amount, within the meaning given to that expression by subsection 1 of section 18, in respect of a business carried on by the corporation that became payable to the corporation in a fiscal year commencing after the time the corporation last became a private corporation and ending before the particular time, equal to the amount, if any, by which,

(A) the amount that the eligible capital amount would be but for the provisions of the *Corporations Tax Application Rules, 1972*, relating to section 18,

exceeds

(B) the aggregate of

1. the eligible capital amount, and

2. where the amount in respect of an eligible capital amount is received as consideration for the disposition of, or for allowing the expiry of, a government right, within the meaning given to that expression by the *Corporations Tax Application Rules, 1972*, such amount as is included in respect thereof in the tax equity of the corporation at the end of its 1971 fiscal year by virtue of subclause ii*a* of clause *h*,

(vi) all amounts each of which is an amount that became payable to the corporation after the end of its 1971 fiscal year and before 1972 in respect of a property, owned by it at the end of its 1971 fiscal year or acquired by it thereafter and disposed of by it before 1972, that would have been eligible capital property if it had been disposed of after 1971, equal to the amount, if any, by which the amount that became payable exceeds any amount included in respect of that property in the tax equity of the corporation at the end of its 1971 fiscal year by virtue of subclause ii*a* of clause *h*,

(vii) all amounts each of which is an amount equal to the amount, if any, by which,

(A) the aggregate of all amounts that have become due to the corporation before the particular time in respect of the disposition after 1971 of a property owned by the corporation on the 31st day of December, 1971 that is a property referred to in clause *b* of subsection 2 of section 59,

exceeds

(B) the relevant percentage, within the meaning given to that expression by subsection 4 of section 59, of the amount receivable by the corporation in respect of that disposition,

(viii) all amounts each of which is an amount receivable in respect of a property referred to in clause *b* of subsection 2 of section 59 owned by the corporation at the end of its 1971 fiscal year or acquired by it thereafter and disposed of by it before 1972,

(ix) all amounts each of which is an amount deducted by virtue of clause *b* of subsection 1 or 2 of section 31*a* in computing the income of the corporation for a fiscal year ending before the particular time,

(x) the amount, if any, by which,

(A) the proceeds of any life insurance policy received by the corporation after the end of its 1971 fiscal year and before 1972 as the result of the death of any person whose life was insured under the policy,

exceeds

(B) the aggregate of,

1. all amounts included in the tax equity of the corporation at the end of its 1971 fiscal year in respect of the policy, and

2. all amounts paid as or on account of premiums paid under the policy by the corporation after the end of its 1971 fiscal year and before 1972, and

(xi) all amounts determined under subclauses vii and x of clause *d* in respect of the corporation at the particular time,

exceeds the aggregate of,

(xii) the paid-up capital of the corporation at the end of its 1971 fiscal year in respect of all of the shares of its capital stock,

(xiii) the amount that the corporation's undistributed income on hand, within the meaning given to that expression by the *Income Tax Act* (Canada) as it read in its application to the 1971 fiscal year, would be at the end of its 1971 fiscal year if,

R.S.C. 1952, c. 148

(A) that Act as it so read were read without reference to subparagraph iii of paragraph *a* of subsection 1 of section 82 thereof,

(B) references in paragraph *a* of subsection 1 of section 82 of that Act, except clause A of subparagraph vii thereof, to "1917" were read as references to "1950", and

(C) no amount were allowed as a deduction under subparagraph ii of paragraph *a* of subsection 1 of section 82 of that Act as it read in its application to that year that was not deductible in computing the corporation's income for the 1971 or any previous fiscal year for the purposes of Part I of that Act as it read in its application to that year, but would have been deductible in computing its income for the 1971 fiscal year if that Act as it read in its application to that year had been read without reference to any restriction on the quantum of any deduction thereunder,

(xiv) subject to subsection 5, all amounts each of which is an amount in respect of a capital property, other than depreciable property, of the corporation owned by it on the 31st day of December, 1971 and disposed of by it after that date and before the particular time equal to the amount, if any, by which its actual cost to the corporation determined without reference to *The Corporations Tax Application Rules, 1972*, other than subsections 15, 17, and 21 to 27 of section 26 thereof, exceeds the greater of the fair market value of the property on the day fixed by proclamation for the purposes of subdivision B and the corporation's proceeds of disposition thereof,

(xv) all amounts each of which is an amount in respect of a capital property, other than depreciable property, owned by it at the end of its 1971 fiscal year or acquired by it thereafter and disposed of by it before 1972, equal to the amount, if any, by which its actual cost to the corporation determined without reference to *The Corporations Tax Application Rules, 1972* exceeds the corporation's proceeds of disposition thereof,

(xvi) all amounts determined under subclauses iii and iv*a* of clause *d* in respect of the corporation at the particular time,

(xvii) where the particular time is after the 18th day of November, 1974, all amounts determined under subclause iv of clause *d* in respect of the corporation at the particular time, and,

(xviii) all amounts each of which is an amount in respect of a dividend that became payable by the corporation before the particular time, equal to the portion, if any, thereof payable out of its 1971 capital surplus on hand.

(7) The said section 83 is further amended by adding thereto the following subsections: s. 83, amended

Deemed capital cost of certain depreciable property

(4) For the purposes of subclause vi of clause *d* and subclauses ii and iii of clause *l* of subsection 1, the actual cost of depreciable property that was acquired by a corporation before the commencement of its 1949 fiscal year that is

capital property referred to in those subclauses shall be deemed to be the capital cost of such property to the corporation, within the meaning given to that expression by section 144 of the *Income Tax Act* (Canada) as it read in its application to the 1971 fiscal year.

R.S.C. 1952, c. 148

Rules concerning the 1971 capital surplus on hand and paid-up capital deficiency

(5) For the purposes of determining the 1971 capital surplus on hand or paid-up capital deficiency of a corporation at any particular time after the 6th day of May, 1974, the following rules apply:

(*a*) the amount referred to in subclauses ii and xiv of clause *l* of subsection 1 in respect of a capital property of the corporation shall be deemed to be nil, where the property disposed of is,

(i) a share of the capital stock of a subsidiary corporation referred to in subsection 1 of section 82 that was disposed of on the winding-up of the subsidiary where that winding-up commenced after the 29th day of May, 1973,

(ii) a share of the capital stock of another Canadian corporation that was controlled, within the meaning given to that expression by subsection 2 of section 186 of the *Income Tax Act* (Canada), by the corporation immediately before the disposition and that was disposed of by the corporation after 1971 to a person with whom the corporation was not dealing at arm's length immediately after the disposition, other than by a disposition referred to in clause *b*, or

1970-71, c. 63 (Can.)

(iii) subject to subsection 21 of section 26 of *The Corporations Tax Application Rules, 1972*, a share of the capital stock of a particular corporation that was disposed of by the corporation after the 6th day of May, 1974, on an amalgamation, within the meaning given to that expression by subsection 1 of section 81, where the corporation controlled, within the meaning given to that expression by subsection 2 of section 186 of the *Income Tax Act* (Canada), both the particular corporation immediately before the amalgamation and the new corporation immediately after the amalgamation; and

(*b*) where another corporation that is a Canadian corporation owned a capital property on the 31st day

of December, 1971 and subsequently disposed of it to the corporation in a transaction to which section 79 applied, the other corporation shall be deemed not to have disposed of that property in the transaction and the corporation shall be deemed to have owned that property on the 31st day of December, 1971 and to have acquired it at an actual cost equal to the actual cost of that property to the other corporation.

Reduction in paid-up capital deficiency

(6) Where subclause iv*a* of clause *d* of subsection 1 has applied to the issue, prior to the 19th day of November, 1974, of any share of the capital stock of a corporation, for the purpose of sub-subclause C of subclause iv*a* of clause *d* of subsection 1, the increase in the paid-up capital of the corporation by virtue of the issue of that share shall, subject to section 78*b*, be deemed to be equal to the amount that would be determined under sub-subclause B of subclause ii of clause *c* of subsection 1 in respect of the issue of that share if clause *c* of subsection 1 were applicable at that time.

44. The said Act is further amended by adding thereto the following section:

s. 83*a*, enacted

Paid-up capital: special rules on conversion of property

83*a*.—(1) For the purposes of paragraph 1 of sub-subclause B of subclause ii of clause *c* of subsection 1 of section 83, where a corporation has issued any shares of a particular class of its capital stock in exchange for another share, bond, debenture, mortgage, note or other similar obligation of the corporation, in this subsection referred to as a "convertible property", the fair market value of the convertible property at the time the shares of the particular class were issued shall be deemed to be an amount equal to,

(*a*) where the convertible property was a share, the amount of the paid-up capital in respect of that share immediately before the exchange; or

(*b*) where the convertible property was a debt owing by the corporation, the amount of that debt immediately before the exchange.

Paid-up capital in respect of amalgamations

(2) Where there has been an amalgamation, within the meaning given to that expression by section 81, of two or more corporations, each of which corporations is in this subsection referred to as a "predecessor corporation", to form one corporate entity, in this subsection referred to as the "new corporation",

(*a*) for the purposes of paragraph 1 of sub-subclause B of subclause ii of clause *c* of subsection 1 of section 83, the new corporation shall be deemed to have received no consideration for any shares of its capital stock that were issued on the amalgamation;

(*b*) the paid-up capital in respect of any particular class of the capital stock of the new corporation shall, at any particular time after the amalgamation and after the 6th day of May, 1974, be increased by the amount, if any, by which,

(i) the aggregate of all amounts each of which is the paid-up capital, immediately before the amalgamation, in respect of a share of the capital stock of a predecessor corporation, other than a share owned by another predecessor corporation,

exceeds

(ii) the aggregate of all amounts each of which is the paid-up capital, referred to in sub-subclause A of subclause ii of clause *c* of subsection 1 of section 83, immediately after the amalgamation, in respect of a class of shares of the capital stock of the new corporation,

to the extent that that amount has not been included in the paid-up capital of any other class of shares of the capital stock of the new corporation; and

(*c*) where the amalgamation occurred prior to the 7th day of May, 1974, the paid-up capital, immediately before the amalgamation, of a share of the capital stock of a predecessor corporation shall, for the purposes of subclause i of clause *b* be determined as though subclauses i and ii of clause *c* of subsection 1 of section 83 applied immediately before the amalgamation.

Paid-up capital: where dividend paid

(3) Where a corporation has made an election under subsection 1 of section 77 in respect of a dividend on a particular class of shares of the capital stock of the corporation that has, before the 19th day of November, 1974, become payable, or was paid if that event was earlier than the time it became payable, and,

(*a*) the portion of the dividend that was payable out of the corporation's 1971 capital surplus on

hand if the paid-up capital of the corporation in respect of any class of shares of its capital stock at the end of its 1971 fiscal year was the amount determined under sub-subclause A of subclause ii of clause *c* of subsection 1 of section 83 in respect of that class at that time,

exceeds

(*b*) the portion of the dividend that would have been payable out of the corporation's 1971 capital surplus on hand if the paid-up capital of the corporation in respect of any class of shares of its capital stock at the end of its 1971 fiscal year was the amount determined under subclause ii of clause *c* of subsection 1 of section 83 without reference to this subsection in respect of that class at that time,

notwithstanding any other provision of this Act, the paid-up capital in respect of the particular class of shares at the end of the corporation's 1971 fiscal year and at any time after the 18th day of November, 1974, shall be reduced by the amount, if any, by which the amount referred to in clause *a* exceeds the amount referred to in clause *b*.

45. The said Act is further amended by adding thereto the following section: s. 84*a*, enacted

Income of corporations from foreign affiliates 1970-71, c. 63 (Can.)

84*a*. It is hereby declared that the provisions of sections 91, 92, 93, 94 and 95 of the *Income Tax Act* (Canada) shall apply to this Act for the purpose of computing the income for a fiscal year of a corporation resident in Canada.

46.—(1) Section 85 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 157, section 25, is further amended by adding thereto the following subsections: s. 85, amended

Allocation of share of income to retiring partner

(1*a*) For the purposes of subsection 1 and sections 90 and 92,

(*a*) where the principal activity of a partnership is carrying on a business in Canada and the members thereof have entered into an agreement to allocate a share of the income or loss of the partnership from any source or from sources in a particular place, as the case may be, to any corporation that at any time ceased to be a member of,

(i) the partnership, or

(ii) a partnership that at any time has ceased to exist or would, but for subsection 1 of section 87 have ceased to exist, and either,

(A) the members thereof, or

(B) the members of another partnership in which, immediately after that time, any of the members referred to in subsubclause A became members,

have agreed to make such an allocation to the corporation,

that corporation shall be deemed to be a member of the partnership; and

(*b*) all amounts each of which is an amount equal to the share of the income or loss referred to in this subsection allocated to a corporation from a partnership in respect of a particular fiscal year of the partnership shall, notwithstanding any other provision of this Act, be included in computing the corporation's income for the fiscal year in which that fiscal year of the partnership ends.

Disposal of right to share in income, etc.

(1*b*) Where in a fiscal year a corporation that has a right to a share of the income or loss of a partnership under an agreement referred to in subsection 1*a* disposes of that right,

(*a*) there shall be included in computing its income for the year the proceeds of the disposition; and

(*b*) for greater certainty, the cost to the corporation of each property received by it as consideration for the disposition is the fair market value of the property at the time of the disposition.

Deductions

(1*c*) Where, by virtue of subsection 1*a* or 1*b*, an amount has been included in computing a corporation's income for a fiscal year, there may be deducted in computing its income for the year the lesser of,

(*a*) the amount so included in computing its income for the year; and

(*b*) the amount, if any, by which the cost to the corporation of the right to a share of the income or loss of a partnership under an agreement referred to in subsection 1*a* exceeds the aggregate of all amounts in respect of that right that were deductible by virtue of this subsection in computing its income for previous fiscal years.

Right deemed not to be capital property

(1*d*) For the purposes of this Act, a right to a share of the income or loss of a partnership under an agreement refer-

red to in subsection 1*a* shall be deemed not to be capital property.

Members of partnership deemed to have a permanent establishment in Ontario

(1*e*) Where any activity in Ontario of a partnership in a fiscal year is such that, if it were a corporation, it would be subject to clause *a* or *b* of subsection 2 or 3 of section 2, as the case may be, each corporation that is deemed by clause *a* of subsection 1*a* to be a member of the partnership shall be deemed to be subject to clause *a* or *b* of subsection 2 or 3 of section 2, as the case may be, for that fiscal year.

s. 85 (3), amended

(2) Subsection 3 of the said section 85, as enacted by the Statutes of Ontario, 1973, chapter 157, section 25, is amended by striking out "or" in the eighth line and by inserting after "36" in the ninth line "or subsection 2 of section 86".

s. 87 (2), repealed

47.—(1) Subsection 2 of section 87 of the said Act is repealed.

s. 87, amended

(2) The said section 87 is amended by adding thereto the following subsection:

Where partnership business carried on as sole proprietorship

(5*a*) Where at any particular time after 1971 a Canadian partnership has ceased to exist and within three months after the particular time one, but not more than one, of the persons who were, immediately before the particular time, members of that partnership, carries on by himself the business that was the business of the partnership and continues to use, in the course of the business, any property that was, immediately before the particular time partnership property and that was received by him as proceeds of disposition of his interest in the partnership, and where that one person is a corporation, hereafter in this section referred to as the "proprietor corporation", the following rules apply:

(*a*) the proprietor corporation's proceeds of disposition of its interest in the partnership shall be deemed to be an amount equal to the greater of,

(i) the aggregate of the adjusted cost base to it, immediately before the particular time, of its interest in the partnership, and the cost to it of all interests in the partnership deemed by clause *q* to have been acquired by it at the particular time, and

(ii) the aggregate of,

(A) the cost amount to the partnership, immediately before the particular time, of each property so received by it, and

(B) the amount of any other proceeds of the disposition of its interest in the partnership received by it;

(*b*) the cost to the proprietor corporation of each such property so received by it shall be deemed to be an amount equal to,

(i) the cost amount to the partnership of the property immediately before that time,

plus,

(ii) where the amount determined under subclause i of clause *a* exceeds the amount determined under subclause ii of clause *a*, the amount determined under clause *c* or *d*, as the case may be, in respect of the property;

(*c*) the amount determined under this clause in respect of each such property so received by it that is a capital property, other than depreciable property, of the proprietor corporation is such portion of the excess, if any, described in subclause ii of clause *b* as is designated by it in respect of the property, except that,

(i) in no case shall the amount so designated in respect of any such property exceed the amount, if any, by which the fair market value of the property immediately after the particular time exceeds the cost amount to the partnership of the property immediately before that time, and

(ii) in no case shall the aggregate of amounts so designated in respect of all such capital properties, other than depreciable property, exceed the excess, if any, described in subclause ii of clause *b*;

(*d*) the amount determined under this clause in respect of each such property so received by it that is depreciable property or a property other than a capital property of the proprietor corporation is such portion of,

(i) the amount, if any, by which the excess, if any, described in subclause ii of clause *b*

exceeds the aggregate of amounts designated by it under clause *c* in respect of all capital properties, other than depreciable property,

as is designated by it in respect of the property, except that,

(ii) in no case shall the amount so designated in respect of any such property exceed the amount, if any, by which the fair market value of the property immediately after the particular time exceeds the cost amount to the partnership of the property immediately before that time, and

(iii) in no case shall the aggregate of amounts so designated in respect of all such properties of the proprietor corporation that are depreciable property or properties other than capital properties, exceed one-half of the amount determined under subclause i in respect of the proprietor corporation;

(*e*) where any such property so received by it was depreciable property of a prescribed class of the partnership and the amount that was the capital cost to the partnership of that property exceeds the amount determined under clause *b* to be the cost to the proprietor corporation of the property, for the purposes of sections 17 and 24 and any regulations made under clause *a* of subsection 1 of section 24,

(i) the capital cost to the proprietor corporation of the property shall be deemed to be the amount that was the capital cost to the partnership of the property, and

(ii) the excess shall be deemed to have been allowed to the proprietor corporation in respect of the property under regulations made under clause *a* of subsection 1 of section 24 in computing income for fiscal years before the acquisition by it of the property;

(*f*) the partnership shall be deemed to have disposed of each such property for proceeds equal to the cost amount to the partnership of the property immediately before the particular time; and

(*g*) where, at the particular time, all other persons who were members of the partnership immediately before that time have disposed of their interests in the partnership to the proprietor corporation, the proprietor corporation shall be deemed at that time to have acquired partnership interests from those other persons and not to have acquired any property that was property of the partnership.

ss. 87*a*, 87*b*, enacted

48. The said Act is further amended by adding thereto the following sections:

Residual interest in partnership

87*a*.—(1) Where, but for this subsection, at any time after 1971 a corporation has ceased to be a member of a partnership of which it was a member immediately before that time, the following rules apply,

(*a*) until such time as all its rights (other than a right to a share of the income or loss of the partnership under an agreement referred to in subsection 1*a* of section 85) to receive any property of or from the partnership in satisfaction of its interest in the partnership immediately before the time that it ceased to be a member of the partnership are satisfied in full, such interest, in this section referred to as a "residual interest", shall, subject to section 50 but notwithstanding any other section of this Act, be deemed not to have been disposed of by the corporation and to continue to be an interest in the partnership;

(*b*) where all of the corporation's rights described in clause *a* are satisfied in full before the end of the fiscal year of the partnership in which it ceased to be a member thereof, it shall, notwithstanding clause *a*, be deemed not to have disposed of its residual interest until the end of that fiscal year;

(*c*) notwithstanding subsection 3 of section 42, where at the end of a fiscal year of the partnership, in respect of a residual interest in the partnership,

(i) the aggregate of all amounts required by subsection 2 of section 55 to be deducted in computing the adjusted cost base to the corporation of the residual interest at that time,

exceeds

(ii) the aggregate of the cost to it of the residual interest determined for the purpose of computing the adjusted cost base to it of that interest at that time and all amounts required by subsection 1 of section 55 to be added to the cost to it of the residual interest in computing the adjusted cost base to it of that interest at that time,

the amount of the excess shall be deemed to be a gain of the corporation for the year from a disposition at that time of that residual interest; and

(*d*) where a corporation has a residual interest,

(i) by virtue of clause *b*, it shall, except for the purposes of subsection 3 of section 98, be deemed not to be a member of the partnership, and

(ii) in any other case, it shall except for the purposes of subsection 3 of section 79, be deemed not to be a member of the partnership.

Continuation of original partnership

(2) Where a partnership, in this subsection referred to as the "original partnership", has or would but for subsection 1 of section 87 have ceased to exist at a time when a corporation had rights described in clause *a* of subsection 1 in respect of that partnership and the members of another partnership agree to satisfy all or part of those rights, that other partnership shall, for the purposes of clause *a* of subsection 1, be deemed to be a continuation of the original partnership.

Transfer of interest on death

87*b*. Where by virtue of the death of an individual a corporation has acquired a property that was an interest in a partnership to which, immediately before the individual's death, section 87*a* applied,

(*a*) the corporation shall be deemed to have acquired a right to receive partnership property and not to have acquired an interest in a partnership;

(*b*) the corporation shall be deemed to have acquired the right referred to in clause *a* at a cost equal to the amount determined to be the proceeds of disposition of the interest in the partnership to the deceased individual by virtue of paragraph *a* of subsection 5 of section 70 or paragraph *d* of subsection 6 of section 70, as the case may be, of the *Income Tax Act* (Canada); and

1970-71, c. 63 (Can.)

(*c*) section 45 is not applicable to the right.

s. 89 (2) (*b*), re-enacted

49. Clause *b* of subsection 2 of section 89 of the said Act is repealed and the following substituted therefor:

(*b*) the aggregate of,

(i) the cost to the corporation of the interest in the partnership determined for the purpose of computing the adjusted cost base to it of that interest at that time, and

(ii) all amounts required by subsection 1 of section 55 to be added to the cost to it of that interest in computing the adjusted cost base to it of that interest at that time.

s. 96, amended

50.—(1) Section 96 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 157, section 26, is further amended by adding thereto the following subsection:

Cost of capital interest in a testamentary trust

(1*a*) For the purposes of subsection 1 and notwithstanding clause *c* of subsection 1 of section 66, the cost to a corporation of a capital interest in a testamentary trust shall be deemed to be,

(*a*) where the interest was purchased, the cost otherwise determined;

(*b*) where paragraph *c* of subsection 5 of section 70 of the *Income Tax Act* (Canada) applies, the cost therein determined; and

1970-71, c. 63 (Can.)

(*c*) in any other case, nil.

s. 96 (3), amended

(2) Subsection 3 of the said section 96 is amended by striking out "that proportion" in the ninth line and in the tenth line and inserting in lieu thereof in each instance "the amount".

s. 97 (1) (*c*), amended

51. Clause *c* of subsection 1 of section 97 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 157, section 27, is further amended by inserting after "trust" in the second line "other than a trust that is a foreign affiliate of the corporation".

s. 100 (1) (*c*), repealed

52.—(1) Clause *c* of subsection 1 of section 100 of the said Act is repealed.

s. 100 (2), amended

(2) Subsection 2 of the said section 100 is amended by striking out "corporation" in the second line and inserting in lieu thereof "corporation, other than a foreign affiliate of the corporation".

(3) Subsections 3 and 4 of the said section 100 are repealed and the following substituted therefor: s. 100 (3, 4), re-enacted

(3) Where a corporation owns a share that is a capital property and receives a taxable dividend or capital dividend in respect of that share, the amount of any loss of the corporation arising from transactions with reference to the share on which the dividend was received shall, unless it is established by the corporation that, Loss on share that is capital property

(*a*) the corporation owned the share 365 days or longer before the loss was sustained; and

(*b*) the corporation did not, at the time the dividend was received, own more than 5 per cent of the issued shares of any class of the capital stock of the corporation from which the dividend was received,

be deemed to be the amount of that loss otherwise determined, minus the aggregate of all amounts received by the corporation in respect of;

(*c*) taxable dividends on the share to the extent that the amounts thereof were deductible from the corporation's income for any fiscal year by virtue of this section or subsection 6 of section 138 of the *Income Tax Act* (Canada); or 1970-71, c. 63 (Can.)

(*d*) capital dividends on the share.

(4) Where a corporation owns a share that is not a capital property and receives a dividend in respect of that share, the amount of any loss of the corporation arising from transactions with reference to the share on which the dividend was received shall, unless it is established by the corporation that, Loss on share that is not capital property

(*a*) it owned the share 365 days or longer before the loss was sustained; and

(*b*) it did not, at the time the dividend was received, own more than 5 per cent of the issued shares of any class of the capital stock of the corporation from which the dividend was received,

be deemed to be the amount of that loss otherwise determined, minus the aggregate of all amounts received by it in respect of dividends, other than capital gains dividends within the meaning given to that expression by subsection 1 of section 109, on the share.

Fair market value of share that is not capital property

(4*a*) Where a corporation owns a share that is not a capital property and receives a dividend in respect of that share, for the purpose of subsection 1 of section 15 the fair market value of the share at any particular time after the 18th day of November, 1974 shall, unless it is established by the corporation that,

(*a*) it owned the share 365 days or longer before the particular time; and

(*b*) it did not, at the time the dividend was received, own more than 5 per cent of the issued shares of any class of the capital stock of the corporation from which the dividend was received,

be deemed to be the aggregate of the fair market value of the share at the particular time otherwise determined and all amounts received before the particular time by it in respect of dividends, other than capital gains dividends within the meaning given to that expression by subsection 1 of section 109, on the share.

s. 100, amended

(4) Section 100 of the said Act is amended by adding thereto the following subsection:

Rules where shares exchanged

(6) Where at a particular time a share, in this subsection referred to as the "new share", has been acquired by a corporation in exchange for another share, in this subsection referred to as the "old share", by means of a transaction to which section 53, 79*a*, 80 or 81 applies, any reference in subsection 3 to a share shall be deemed to include a reference to the new share and the old share as though they were the same share, except that the aggregate of the amounts to be deducted from a loss otherwise determined on any new share of the corporation, in respect of dividends received by it on the share, shall be deemed to be the aggregate of,

(*a*) the aggregate of amounts that would be determined under subsection 3 in respect of taxable dividends or capital dividends received by it on the new share only; and

(*b*) that proportion of the aggregate of all amounts received by it in respect of taxable dividends or capital dividends on all the old shares exchanged at the particular time that,

(i) the adjusted cost base to it of the new share immediately after the exchange,

is of,

(ii) the adjusted cost base to it of all new shares immediately after the exchange.

53. The said Act is further amended by adding thereto the following section: s. 100*a*, enacted

100*a*. It is hereby declared that the provisions of section 113 of the *Income Tax Act* (Canada) shall apply to this Act for the purposes of computing the taxable income for a fiscal year of a corporation resident in Canada. Deduction re dividends from foreign affiliates 1970-71, c. 63 (Can.)

54. The said Act is further amended by adding the following section: s. 100*b*, enacted

100*b*.—(1) In computing a corporation's taxable income for a fiscal year, there may be deducted the aggregate of amounts (the aggregate of which amounts is hereafter in this subsection referred to as "the amount contributed") that are contributions for the purposes of *The Election Finances Reform Act, 1975* and that are contributed in the fiscal year, and in any previous fiscal year ending after the 12th day of February, 1975 to the extent that such contributions have not already been deducted, by the corporation to registered candidates at an election of a member or members to serve in the Assembly, to registered constituency associations or to registered parties, provided that, Election contributions 1975, c. 12

(*a*) subject to subsection 3, such deduction shall not exceed the least of,

(i) the amount contributed, and

(ii) its taxable income computed without reference to this section, and

(iii) $4,000; and

(*b*) payment of each amount that is included in the amount contributed is proven by filing with the Minister receipts that are signed by a recorded agent of the registered candidate, registered constituency association or registered party, as the case may be, and that contain the information prescribed to be shown on such receipts.

(2) In this section, Interpretation

(*a*) "recorded agent" means a person on record with the Commission on Election Contributions and Expenses as being authorized to accept contributions on behalf of a political party, constituency association or candidate registered under *The Election Finances Reform Act, 1975*;

(*b*) "registered candidate" with respect to an election of a member or members to serve in the Assembly, means a person who has been registered as a candidate for such election by the Commission on Election Contributions and Expenses and whose name has not been deleted from the register of candidates maintained by the Commission with respect to such election;

(*c*) "registered constituency association" means a registered constituency association within the meaning given to that expression by *The Election Finances Reform Act, 1975*;

1975, c. 12

(*d*) "registered party" means a registered party within the meaning given to that expression by *The Election Finances Reform Act, 1975*.

Corporations to which s. 103 applicable

(3) In respect of a corporation to which section 103 is applicable, the amount deductible under clause *a* of subsection 1 is the aggregate of,

(*a*) the amount which would otherwise be deducted under clause *a* of subsection 1; and

(*b*) that proportion of the amount determined under clause *a* that,

(i) the taxable income of the corporation that is earned in jurisdictions other than Ontario (as computed for the purposes of section 103 and without reference to this section),

is to

(ii) the amount by which the taxable income of the corporation exceeds the amount referred to in subclause i.

s. 101 (*a*) (iv), amended

55.—(1) Subclause iv of clause *a* of section 101 of the said Act is amended by striking out "and" in the eleventh line.

s. 101 (*a*) (v), re-enacted

(2) Subclause v of clause *a* of the said section 101 is repealed and the following substituted therefor:

(v) proceeds of disposition that become receivable by it in the fiscal year in respect of the disposition of a property that is a Canadian resource property or that would have been such a property if the property had been

acquired by it after 1971, to the extent that those proceeds were not included in computing its income from a business carried on by it in Canada,

(vi) amounts required by subsection 1*a* of section 17 to be included in computing its income for the year in respect of dispositions of timber resource properties to the extent that those amounts were not included in computing its income from a business carried on by it in Canada,

(vii) the amount, if any, by which any amount required by subsection 1*b* of section 85 to be included in computing its income for the year as proceeds of the disposition of a right to a share of the income or loss under an agreement referred to in clause *a* of subsection 1*a* of section 85 exceeds the amount in respect of that right that would, if the corporation were liable to taxation by virtue of subsection 1 of section 2 throughout the fiscal year, be deductible under subsection 1*c* of section 85 in computing its income for the year.

(3) Clause *b* of the said section 101, as amended by the Statutes of Ontario, 1973, chapter 157, section 28, is further amended by inserting after "property" in the fifth line "or an interest therein". s. 101 (*b*), amended

(4) The said section 101 is amended by adding thereto the following subsection: s. 101, amended

(2) For the purposes of this section, a property described in subparagraphs i to ix of paragraph *b* of subsection 1 of section 115 of the *Income Tax Act* (Canada) shall be deemed to include an option in respect of such property whether or not such property is in existence. Property deemed to include option 1970-71, c. 63 (Can.)

56. Section 105 of the said Act is repealed. s. 105, repealed

57. Subsection 2 of section 106*a* of the said Act, as enacted by the Statutes of Ontario, 1974, chapter 75, section 7, is amended by striking out "$50,000" in the fifth line and inserting in lieu thereof "$100,000". s. 106*a* (2), amended

58. Clause *a* of subsection 5 of section 110 of the said Act is repealed and the following substituted therefor: s. 110 (5) (*a*), re-enacted

(*a*) "Canadian property" means,

(i) property of a corporation that would be taxable Canadian property if at no time in the year the corporation had been resident in Canada, and

(ii) any other property not being foreign property within the meaning given to that expression by section 206 of the *Income Tax Act* (Canada).

1970-71, c. 63 (Can.)

s. 112, amended

59. Section 112 of the said Act is amended by adding thereto the following subsection:

Patronage dividends

(7) For the purposes of this section, where,

(*a*) a person has sold or delivered a quantity of goods or products to a marketing board established by or pursuant to a law of Canada or of a province;

(*b*) the marketing board has sold or delivered the same quantity of goods or products of the same class, grade or quality to a corporation of which the person is a member; and

(*c*) the corporation has credited that person with an amount based on the quantity of goods or products of that class, grade or quality sold or delivered to it by the marketing board,

the quantity of goods or products referred to in clause *c* shall be deemed to have been sold or delivered by that person to the corporation and to have been acquired by the corporation from that person.

s. 114 (3), re-enacted

60.—(1) Subsection 3 of section 114 of the said Act is repealed and the following substituted therefor:

Amount paid in respect of member's share deemed paid as interest

(3) Notwithstanding any other provisions of this Act, any amount paid or payable by a credit union to a member thereof in respect of his share in the credit union, other than any such amount paid or payable as or on account of a reduction of the paid-up capital, redemption, acquisition or cancellation by the credit union of the member's share to the extent of the paid-up capital of his share, shall be deemed to have been paid or payable, as the case may be, by the credit union as interest and, when received by the member, to have been received by him as interest.

Application of s. 78

(3*a*) Subsections 2, 3 and 4 of section 78 do not apply to deem a dividend to have been paid by a corporation to any of its shareholders, or to deem any of the shareholders of a

corporation to have received a dividend on any shares of the capital stock of the corporation, if at the time the dividend would, but for this subsection, be deemed by subsection 2, 3, or 4 of section 78 to have been so paid or received, as the case may be, the corporation was a credit union.

(2) Clause *a* of subsection 5 of the said section 114 is amended by inserting after "union" in the sixteenth line "of the same class and for this purpose a class includes all members for whom the rates of interest payable in relation to the money borrowed are the same". s. 114 (5) (*a*), amended

(3) Clause *b* of subsection 5 of the said section 114 is repealed and the following substituted therefor: s. 114 (5) (*b*), re-enacted

(*b*) "credit union" means a corporation, association or federation incorporated or organized as a credit union or co-operative credit society if,

(i) it derived all or substantially all of its revenues from,

(A) loans made to, or cashing cheques for, members,

(B) bonds or securities of or loans to, or guaranteed by, the Government of Canada or a province, a Canadian municipality, or an agency thereof, or bonds or securities of or loans to a municipal or public body performing a function of government in Canada or an agency thereof,

(C) bonds of a corporation, commission or association not less than 90 per cent of the shares or capital of which was owned by the Government of Canada or a province or by a municipality in Canada,

(D) loans to or deposits with a bank to which the *Bank Act* (Canada) or the *Quebec Savings Banks Act* (Canada) applies, or loans to or deposits with a corporation licensed or otherwise authorized under a law of Canada or a province to carry on in Canada the business of offering to the public its services as trustee, R.S.C. 1970, cc. B-1, B-4

(E) charges, fees and dues levied against members or members of members, or

(F) loans made to or deposits with a credit union or co-operative credit society of which it is a member, or

(ii) all or substantially all the members thereof were corporations, associations or federations,

(A) incorporated as credit unions or co-operative credit societies, all of which derived all or substantially all of their revenues from the sources described in subclause i or all of whose shares are owned by credit unions, co-operatives or a combination thereof,

(B) incorporated, organized or registered under, or governed by a law of Canada or a province with respect to co-operatives, or

(C) incorporated or organized for charitable purposes,

or were corporations, associations or federations no part of the income of which was payable to, or otherwise available for the personal benefit of, any shareholder or member thereof.

s. 117*a*, enacted

61. The said Act is further amended by adding thereto the following section:

Deemed not to be a private corporation

117*a*. Notwithstanding any other provison of this Act, an insurance corporation, other than a life insurance corporation, that would but for this section be a private corporation shall be deemed not to be a private corporation except for the purposes of section 106*a*.

s. 120, amended

62. Section 120 of the said Act is amended by adding thereto the following subsection:

Property of a trust governed by a revoked plan

(9*a*) Where a trust governed by a revoked plan,

(*a*) disposes of property to a corporation for a consideration less than the fair market value of the property at the time of the transaction, or for no consideration; or

(*b*) acquires property from a corporation for a consideration greater than the fair market value of the property at the time of the transaction,

the difference between such fair market value and the consideration, if any, shall be deemed to be an amount received by the corporation from a trustee under the plan and that amount shall be included in the corporation's income for a fiscal year.

63.—(1) Subclause iii of clause *e* of subsection 1 of section 122 of the said Act is amended by adding "or" at the end of sub-subclause A, by striking out sub-subclauses B, C and D and by substituting therefor the following: s. 122 (1) (*e*) (iii), amended

(B) a gift to any donee described in clause *a* or *b* of subsection 1 of section 98,

. . . . .

(2) Clause *i* of subsection 1 of the said section 122, as re-enacted by the Statutes of Ontario, 1973, chapter 42, section 9, is amended by adding at the end thereof "unless the proprietor, member or shareholder was a club, society or association the primary purpose and function of which was the promotion of amateur athletics in Canada". s. 122 (1) (*i*), amended

(3) Clause *b* of subsection 6 of the said section 122 is amended by inserting after "corporation" in the second line "including gifts received from a person described in clause *e* of subsection 1 or paragraph *h* of subsection 1 of section 149 of the *Income Tax Act* (Canada)". s. 122 (6) (*b*), amended; 1970-71, c. 63 (Can.)

(4) Subclause ii of clause *b* of subsection 6 of the said section 122 is amended by inserting after "donor" in the second line "other than a person described in clause *e* of subsection 1 or paragraph *h* of subsection 1 of section 149 of the *Income Tax Act* (Canada)" and by inserting after "person" in the fifth line "other than a person described in clause *e* of subsection 1 or paragraph *h* of subsection 1 of section 149 of the *Income Tax Act* (Canada)". s. 122 (6) (*b*) (ii), amended

64.—(1) Subsections 2 and 3 of section 148 of the said Act are repealed and the following substituted therefor: s. 148 (2), repealed; s. 148 (3), re-enacted

(3) Every corporation on which a tax is imposed by this Act shall pay to the Treasurer of Ontario, Dates of payment

(*a*) on or before the fifteenth day of each of the third, fifth, seventh, ninth and eleventh months of the

fiscal year in respect of which the tax is payable and on or before the fifteenth day of the first month of the fiscal year following that in respect of which the tax is payable, an instalment equal to one-sixth of the tax payable as estimated by it at the rates for the fiscal year on,

(i) its estimated taxable income and other subject of tax for the fiscal year, or

(ii) its taxable income and other subject of tax for the immediately preceding fiscal year; and

(*b*) the balance, if any, of the tax payable for the fiscal year as estimated by it under subsection 2 of section 145,

(i) on or before the last day of the third month of the fiscal year following that in respect of which the tax is payable, where an amount was deducted by virtue of section 125 of the *Income Tax Act* (Canada) in computing the tax payable by the corporation under Part 1 of that Act for the immediately preceding fiscal year, or

1970-71, c. 63 (Can.)

(ii) on or before the last day of the second month of the fiscal year following that in respect of which the tax is payable, in any other case.

s. 148 (4), amended

(2) Subsection 4 of the said section 148 is amended by striking out "Notwithstanding subsections 2 and 3" in the first line and inserting in lieu thereof "Notwithstanding subsection 3" and by striking out "2 or" in the fifth line.

s. 149 (2), amended

65. Subsection 2 of section 149 of the said Act is amended by striking out "2" in the first line.

s. 167 (1), amended

66.—(1) Subsection 1 of section 167 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 157, section 32, is further amended by striking out "1961" in the amendment of 1973 and inserting in lieu thereof "1967".

s. 167 (2), amended

(2) Subsection 2 of the said section 167, as amended by the Statutes of Ontario, 1973, chapter 157, section 32, is further amended by striking out "1961" in the amendment of 1973 and inserting in lieu thereof "1967".

67.—(1) Subsections 2 and 9 of section 1, paragraph 38*a* of subsection 1 of section 1 of the said Act, as enacted by subsection 4 of section 1 of this Act, section 5, subsection 2 of section 8, section 13, subsections 9, 11 and 12 of section 28, section 30, subsection 1 of section 34, sections 37, 61 and 62, and subsections 1, 3 and 4 of section 63 shall be deemed to have come into force on the 1st day of January, 1974 and apply to corporations in respect of all fiscal years ending after 1973. Commencement and application

(2) Subsections 3 and 8 of section 1, paragraph 33*a* of subsection 1 of section 1 of the said Act, as enacted by subsection 4 of section 1 of this Act, subsections 6 to 9 of section 6, subsection 3 of section 7, subsections 8 and 9 of section 8, section 9, subsection 2 of section 15, sections 16, 18 and 21, subsections 2 to 5 and 7 to 12 of section 22, subsections 1, 2, 4 and 5 of section 23, subsections 2, 3 and 8 of section 28, subsection 2 of section 34, subsection 1 of section 43, sections 45, 46, 47, 48, 49, 50 and 51, subsection 2 of section 52, subsection 3 of section 55, sections 58, 59 and 60, and subsection 2 of section 63 shall be deemed to have come into force on the 1st day of January, 1972 and apply to corporations in respect of all fiscal years ending after 1971. Idem

(3) Sections 32 and 56 come into force on the day this Act receives Royal Assent. Idem

(4) Subsection 1 of section 1 and section 12 shall be deemed to have come into force on the 1st day of January, 1975 and apply to corporations in respect of all fiscal years ending after 1974. Idem

(5) Subsection 5 of section 1 shall be deemed to have come into force on the 7th day of May, 1974 and is applicable for the purpose of calculating the paid-up capital of a corporation at the end of its fiscal year ending in 1971 and at any time after the 6th day of May, 1974. Idem

(6) Subsection 6 of section 1 shall be deemed to have come into force on the 7th day of April, 1975. Idem

(7) Subsection 7 of section 1 shall be deemed to have come into force on the 1st day of January, 1972 and applies to corporations in respect of all fiscal years ending after 1971. Idem

Idem

(8) Section 2 shall be deemed to have come into force on the 7th day of May, 1974 and applies to corporations in respect of all fiscal years ending after the 6th day of May, 1974.

Idem

(9) Section 3 shall be deemed to have come into force on the 7th day of May, 1974 and applies to corporations in respect of all fiscal years ending after the 6th day of May, 1974.

Idem

(10) Subsection 1 of section 4 shall be deemed to have come into force on the 19th day of November, 1974 and applies to corporations in respect of all fiscal years ending after the 18th day of November, 1974.

Idem

(11) Subsection 2 of section 4 shall be deemed to have come into force on the 8th day of April, 1975 and applies to corporations with respect to all fiscal years that end after the 7th day of April, 1975 except that with respect to the fiscal year that ends after the 7th day of April, 1975 and that includes that day the amount to be determined under clause *o* of subsection 1 of section 16 of the said Act shall be that portion of any amount that becomes receivable in that fiscal year or the fair market value of any property that becomes receivable in that fiscal year that the number of days of that fiscal year that follow the 7th day of April, 1975 bears to the total number of days of that fiscal year.

Idem

(12) Subsection 3 of section 4 shall be deemed to have come into force on the 1st day of January, 1975 and applies to corporations in respect of all fiscal years ending after 1974 and, except in the case of a credit union, any interest that was not included in computing a corporation's income for a fiscal year ending before 1975 but that would have been included in subsection 3 of section 16, as enacted by subsection 3 of section 4 of this Act, had applied shall be included in computing its income for its fiscal year ending in 1975.

Idem

(13) Subsections 1 and 2 of section 6 shall be deemed to have come into force on the 7th day of May, 1974 and apply in respect of timber resource property acquired after the 6th day of May, 1974.

Idem

(14) Subsection 3 of section 6 shall be deemed to have come into force on the 7th day of May, 1974 and applies in respect of amounts that become receivable after the 6th day of May, 1974.

(15) Subsection 4 of section 6 shall be deemed to have come into force on the 1st day of January, 1972 and applies to acquisitions of property occurring after the 18th day of November, 1974 and to all fiscal years of corporations ending after 1971 in respect of the repayment on, before or after January 1, 1972 of grants, subsidies or other assistance. Idem

(16) Subsection 5 of section 6 and subsection 2 of section 7 shall be deemed to have come into force on the 7th day of May, 1974 and apply to corporations in respect of all fiscal years ending after the 6th day of May, 1974. Idem

(17) Subsections 10 and 11 of section 6 shall be deemed to have come into force on the 7th day of May, 1974 and apply in respect of acquisitions of property occurring after the 6th day of May, 1974. Idem

(18) Subsection 1 of section 7 shall be deemed to have come into force on the 8th day of April, 1975 and applies to corporations with respect to all fiscal years that end after the 7th day of April, 1975 except that with respect to the fiscal year that ends after the 7th day of April, 1975 and includes that day, the amount paid or payable in the year or the fair market value of property paid in the year shall, for the purposes of clause *n* of subsection 1 of section 22 of the said Act be the aggregate of, Idem

(*a*) that portion of the amount determined under that clause as it stood prior to the 8th day of April, 1975, that the number of days of that fiscal year prior to the 8th day of April, 1975 bears to the total number of days of that fiscal year; and

(*b*) that portion of the amount determined under that clause as amended by this Act for that fiscal year that the number of days of that fiscal year that follow the 7th day of April, 1975 bears to the total number of days of that fiscal year.

(19) Subsection 1 of section 8 shall be deemed to have come into force on the 19th day of November, 1974 and applies to sales occurring and debts arising after the 18th day of November, 1974. Idem

(20) Subsections 3, 4, 5, 6 and 7 of section 8 shall be deemed to have come into force on the 7th day of May, 1974 and apply in respect of dispositions occurring after the 6th day of May, 1974. Idem

Idem

(21) Section 10 shall be deemed to have come into force on the 7th day of May, 1974 and applies to sales of debts occurring after the 6th day of May, 1974.

Idem

(22) Section 11 shall be deemed to have come into force on the 7th day of May, 1974 and applies to sales occurring after the 6th day of May, 1974.

Idem

(23) Section 14 shall be deemed to have come into force on the 7th day of May, 1974 and applies to timber resource property acquired after the 6th day of May, 1974.

Idem

(24) Subsection 1 of section 15 shall be deemed to have come into force on the 7th day of May, 1974 and applies to dispositions occurring after the 6th day of May, 1974.

Idem

(25) Section 17 shall be deemed to have come into force on the 7th day of May, 1974 and applies to amounts that have become receivable after the 6th day of May, 1974.

Idem

(26) Section 19 shall be deemed to have come into force on the 7th day of May, 1974 and applies to extensions or renewals granted after the 6th day of May, 1974.

Idem

(27) Section 20 shall be deemed to have come into force on the 7th day of May, 1974 and applies to exchanges of property occurring after the 6th day of May, 1974.

Idem

(28) Subsection 1 of section 22 shall be deemed to have come into force on the 1st day of January, 1972 and applies in respect of contributions of capital occurring after 1971 in computing the adjusted cost base of a property after 1971.

Idem

(29) Subsection 6 of section 22 shall be deemed to have come into force on the 1st day of January, 1972 and applies in respect of contributions of capital occurring before the 7th day of May, 1974 in computing the adjusted cost base of property after 1971.

Idem

(30) Subsection 13 of section 22 shall be deemed to have come into force on the 19th day of November, 1974 and is applicable for the purpose of computing the adjusted cost base of a property after 1971 in respect of acquisitions of property occurring after the 18th day of November, 1974 and in respect of the repayment after 1971 of grants, subsidies or other assistance.

Idem

(31) Subsection 14 of section 22 and subsection 2 of section 27 shall be deemed to have come into force on the 7th day of May, 1974 and apply in respect of transactions occurring after the 6th day of May, 1974.

(32) Subsection 3 of section 23 shall be deemed to have come into force on the 19th day of November, 1974 and applies to dispositions of property occurring after the 18th day of November, 1974. Idem

(33) Sections 24 and 26 shall be deemed to have come into force on the 1st day of January, 1975 and apply to corporations in respect of all fiscal years ending after 1974. Idem

(34) Section 25 shall be deemed to have come into force on the 7th day of May, 1974 and applies in respect of dispositions occurring after the 6th day of May, 1974. Idem

(35) Subsection 1 of section 27 shall be deemed to have come into force on the 19th day of November, 1974 and applies to corporations in respect of all fiscal years ending after the 18th day of November, 1974. Idem

(36) Subsections 1, 4 and 5 of section 28 shall be deemed to have come into force on the 7th day of May, 1974 and apply to corporations in respect of all fiscal years ending after the 6th day of May, 1974. Idem

(37) Subsections 6 and 7 of section 28 shall be deemed to have come into force on the 7th day of May, 1974 and apply to transactions occurring after the 6th day of May, 1974. Idem

(38) Subsection 10 of section 28 shall be deemed to have come into force on the 1st day of January, 1974 and applies to corporations in respect of all fiscal years ending after 1973 except that it shall not apply to any right or interest in property of a trust acquired before the 19th day of November, 1974 in respect of which a deduction has been claimed in respect of a fiscal year ending before 1976 under section 63 of the said Act. Idem

(39) Section 29 shall be deemed to have come into force on the 7th day of May, 1974 and applies in respect of appropriations, dispositions or acquisitions of property occurring after the 6th day of May, 1974. Idem

(40) Section 31 shall be deemed to have come into force on the 7th day of May, 1974 and applies to exchanges of bonds occurring after the 6th day of May, 1974. Idem

(41) Section 33 shall be deemed to have come into force on the 8th day of April, 1975 and applies to amounts or property paid or payable after the 7th day of April, 1975. Idem

(42) Section 35 shall be deemed to have come into force on the 19th day of November, 1974 and applies to dividends deemed to have been paid after the 18th day of November, 1974. Idem

Idem

(43) Section 36 shall be deemed to have come into force on the 19th day of November, 1974 and applies to payments made after the 18th day of November, 1974.

Idem

(44) Section 38 shall be deemed to have come into force on the 7th day of May, 1974 and applies to dispositions of property occurring after the 6th day of May, 1974.

Idem

(45) Section 39, except subsection 3 of section 79*a* of the said Act, as enacted by section 39 of this Act, shall be deemed to have come into force on the 7th day of May, 1974 and applies with respect to transactions occurring after the 6th day of May, 1974.

Idem

(46) Subsection 3 of section 79*a* of the said Act, as enacted by section 39 of this Act, shall be deemed to have come into force on the 1st day of January, 1972 and applies to corporations in respect of all fiscal years ending after 1971.

Idem

(47) Section 40 shall be deemed to have come into force on the 7th day of May, 1974 and applies in respect of dispositions after the 6th day of May, 1974 by a person of shares of any class of the capital stock of a corporation in the course of a reorganization of the capital of the corporation.

Idem

(48) Subsections 1 and 3 of section 41 shall be deemed to have come into force on the 1st day of January, 1972 and apply to amalgamations occurring after 1971.

Idem

(49) Subsections 2 and 4 to 15 of section 41 shall be deemed to have come into force on the 7th day of May, 1974 and apply to amalgamations occurring after the 6th day of May, 1974, except that subsection 8 of section 81 of the said Act, as enacted by subsection 15 of section 41 of this Act, shall be deemed to have come into force on the 1st day of January, 1972 and applies in respect of mergers occurring after 1971.

Idem

(50) Subsections 1 to 7 of section 42 shall be deemed to have come into force on the 7th day of May, 1974 and apply in respect of any winding up occurring after the 6th day of May, 1974, except that subclauses i*a* and i*b* of clause *d* of subsection 1 of section 82 of the said Act, as enacted by subsection 3 of section 42 of this Act, are applicable for the purpose of computing the adjusted cost base of the property after February, 1975.

(51) Subsection 8 of section 42 shall be deemed to have come into force on the 1st day of January, 1972 and applies in respect of any winding-up occurring after 1971. Idem

(52) Subsection 2 of section 43 shall be deemed to have come into force on the 7th day of May, 1974 and applies for the purpose of computing the paid-up capital of a corporation at the end of its fiscal year ending in 1971 and at any time after the 6th day of May, 1974. Idem

(53) Subsections 3, 4 and 5 of section 43 shall be deemed to have come into force on the 7th day of May, 1974 and are applicable for the purpose of computing paid-up capital deficiency after the 6th day of May, 1974. Idem

(54) Subsection 6 of section 43 shall be deemed to have come into force on the 7th day of May, 1974 and is applicable in computing 1971 capital surplus on hand after the 6th day of May, 1974. Idem

(55) Subsection 7 of section 43 shall be deemed to have come into force on the 7th day of May, 1974 and is applicable in computing paid-up capital deficiency or 1971 capital surplus on hand after the 6th day of May, 1974, except that subsection 4 of section 83 of the said Act, as enacted by subsection 7 of section 43 of this Act, shall be deemed to have come into force on the 1st day of January, 1972 and applies to corporations in respect of all fiscal years ending after 1971. Idem

(56) Section 44 shall be deemed to have come into force on the 7th day of May, 1974 and is applicable for the purpose of computing the paid-up capital of a corporation at the end of its fiscal year ending in 1971 and at any time after the 6th day of May, 1974. Idem

(57) Subsection 1 of section 52 and section 53 shall come into force on the 1st day of January, 1976 and apply to corporations in respect of all fiscal years ending after 1975. Idem

(58) Subsections 3 and 4 of section 52 shall be deemed to have come into force on the 7th day of May, 1974 and apply to losses arising after the 6th day of May, 1974, except that subsection 4*a* of section 100 of the said Act, as enacted by subsection 3 of section 52 of this Act, is applicable for the purpose of determining the fair market value of a share after the 18th day of November, 1974. Idem

Idem

(59) Section 54 shall be deemed to have come into force at 3:00 o'clock in the afternoon on the 13th day of February, 1975 and applies to corporations in respect of all fiscal years ending after February 12th, 1975.

Idem

(60) Subsections 1, 2 and 4 of section 55 shall be deemed to have come into force on the 7th day of May, 1974.

Idem

(61) Section 57 shall be deemed to have come into force on the 8th day of April, 1975 and applies to corporations in respect of all fiscal years ending after the 7th day of April, 1975, except that with respect to the fiscal year that ends after the 7th day of April, 1975 and that includes that day, the following rules apply:

(*a*) determine the deduction under section 106*a* of the said Act as that section stood prior to the 8th day of April, 1975 that, but for the rules made applicable by this section, would be deductible by the corporation for that fiscal year on the assumption that that section was applicable to that fiscal year;

(*b*) determine the proportion of the amount determined under clause *a* that the number of days of the fiscal year prior to the 8th day of April, 1975 bears to the total number of days of the fiscal year;

(*c*) determine the deduction under section 106*a* of the said Act as amended by this Act that, but for the rules made applicable by this Part, would be deductible by the corporation for that fiscal year on the assumption that that section was applicable to that fiscal year.

(*d*) determine the proportion of the amount determined under clause *c* that the number of days of that fiscal year that follow the 7th day of April, 1975 bears to the total number of days of that fiscal year;

(*e*) determine the aggregate of the amounts determined under clauses *b* and *d* in respect of the corporation;

and the aggregate determined under clause *e* is the amount that is deductible by a corporation, under section 106*a* of the said Act as amended by this Act, for its fiscal year that ends after the 7th day of April, 1975 and that includes that day.

Idem

(62) Sections 64 and 65 shall come into force on the 1st day of August, 1975, and apply to corporations in respect of all fiscal years ending after the 31st day of July, 1975.

(63) Section 66 shall be deemed to have come into force on the 1st day of January, 1975. Idem

68. This Act may be cited as *The Corporations Tax Amendment Act, 1975*. Short title

BILL 36

An Act to amend
The Corporations Tax Act, 1972

1st Reading

April 7th, 1975

2nd Reading

April 24th, 1975

3rd Reading

May 2nd, 1975

THE HON. A. K. MEEN
Minister of Revenue

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Government
Publications

BILL 36 Government Bill

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

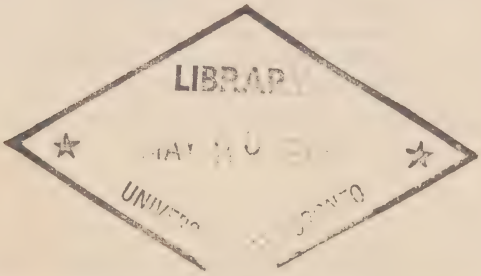
Ontario. Legislative Assembly

An Act to amend The Corporations Tax Act, 1972

Ontario. Legislative Assembly

THE HON. A. K. MEEN
Minister of Revenue

(Reprinted as amended by the Administration of Justice Committee)



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Explanatory Notes

Section 1. This section amends a number of the definitions in subsection 1 of section 1 of the Act.

Subsection 1. Amends the definition of "bank" in paragraph 6 of section 1 (1) of the Act to make it clear that the expression "bank" includes only banks to which the *Bank Act* (Canada) or the *Quebec Savings Banks Act* (Canada) apply.

Subsection 2. A definition of "Canadian Resource Property" is added to section 1 of the Act so that the definition in section 63 of this expression will apply to this expression where it occurs elsewhere in the Act.

Subsection 3. A definition of "credit union" is added to section 1 of the Act so that the definition in section 114 of this expression will apply to this expression where it occurs elsewhere in the Act.

Subsection 4. A definition of "foreign affiliate" is added to make the definition of that expression in the *Income Tax Act* (Canada) apply to *The Corporations Tax Act*; and a definition of "international traffic" is added to clarify the meaning of that expression which appears in section 75 (1) (*c*) of the Act.

BILL 36 **1975**

An Act to amend The Corporations Tax Act, 1972

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Paragraph 6 of subsection 1 of section 1 of *The Corporations Tax Act, 1972*, being chapter 143, is repealed and the following substituted therefor: s. 1 (1), par. 6, re-enacted

6. "bank" means a bank to which the *Bank Act* (Canada) or the *Quebec Savings Banks Act* (Canada) applies. R.S.C. 1970, c. B-1 R.S.C. 1970, c. B-4

(2) Subsection 1 of the said section 1, as amended by the Statutes of Ontario, 1973, chapter 157, section 1, and 1974, chapter 75, section 1, is further amended by adding thereto the following paragraph: s. 1 (1), amended

9*a*. "Canadian resource property" has the meaning given to that expression by section 63.

(3) Subsection 1 of the said section 1 is further amended by adding thereto the following paragraph: s. 1 (1), amended

17*a*. "credit union" has the meaning given to that expression by subsection 5 of section 114.

(4) Subsection 1 of the said section 1 is further amended by adding thereto the following paragraphs: s. 1 (1), amended

33*a*. "foreign affiliate", at any time, of a corporation has the meaning given to that expression under paragraph *d* of subsection 1 of section 95 of the *Income Tax Act* (Canada); 1970-71, c. 63 (Can.)

. . . . .

38*a*. "international traffic" means in respect of a non-resident corporation carrying on the business of

transporting passengers or goods, any voyage made in the course of that business where the principal purpose of the voyage is to transport passengers or goods,

i. from Canada to a place outside Canada,

ii. from a place outside Canada to Canada, or

iii. from a place outside Canada to another place outside Canada.

s. 1 (1), amended

(5) Subsection 1 of the said section 1 is further amended by adding thereto the following paragraph:

50*a*. "paid-up capital" has the meaning given to that expression by subsection 1 of section 83 but such meaning does not apply for the purposes of section 106*a* or Part III of this Act.

s. 1 (1), par. 66, re-enacted

(6) Paragraph 66 of subsection 1 of the said section 1 is repealed and the following substituted therefor:

66. "resident in Canada" means "resident in Canada" as that term is defined in the *Income Tax Act* (Canada).

1970-71, c. 63 (Can.)

s. 1 (1), par. 68, re-enacted

(7) Paragraph 68 of subsection 1 of the said section 1 is repealed and the following substituted therefor:

68. "share" means a share or fraction thereof of the capital stock of a corporation.

s. 1 (1), par. 76, re-enacted

(8) Paragraph 76 of subsection 1 of the said section 1 is repealed and the following substituted therefor:

76. "taxable Canadian property" has the meaning given to that expression by subsection 1 of section 115 of the *Income Tax Act* (Canada) except that, for the purposes of section 2 the expression "taxable Canadian property" includes,

i. a Canadian resource property, within the meaning given to that expression by subsection 12 of section 63, or any property that would have been a Canadian resource property, within the meaning given to that expression by subsection 12 of section 63, if it had been acquired after 1971,

ii. a timber resource property,

Subsection 5. A definition of "paid-up capital" is added to make it clear that the definition in section 83 of this expression applies where this expression occurs elsewhere in the Act, other than in section 106*a* or Part III of the Act.

Subsection 6. "resident in Canada" is redefined to make it clear that the definition of this expression in the *Income Tax Act* (Canada) is applicable to *The Corporations Tax Act* and that this definition will not, in its application to *The Corporations Tax Act*, be affected by any tax treaties that Canada has with other countries.

Subsection 7. The expression "share" is redefined to make it clear that "share" includes a fraction of a share.

Subsection 8. "taxable Canadian property" is redefined to include a timber resource property.

Subsection 9. In addition a definition of "timber royalty" is added to define that expression which occurs in section 2 of the Act as amended by this Bill.

SECTION 2. This section amends section 2 of the Act to make the provisions of that subsection applicable to non-resident corporations that own timber resource property in Ontario or receive royalties from property in Ontario.

SECTION 3. Section 3 of the Act is amended to include a reference to "timber resource property"—this amendment is complementary to the amendments to section 2 of the Act.

iii. an income interest in a trust resident in Canada, and

iv. a right to a share of income or loss under an agreement referred to in clause *a* of subsection 1*a* of section 85.

(9) Subsection 1 of the said section 1 is further amended by adding thereto the following paragraphs: s. 1 (1), amended

83*a*. "timber resource property" has the meaning given to that expression by clause *da* of subsection 17 of section 17;

83*b*. "timber royalty" includes any consideration for a right under or pursuant to which a right to cut or take timber from a timber limit in Canada is obtained or derived, to the extent that such consideration is dependent upon, or computed by reference to, the amount of timber cut or taken.

2.—(1) Clause *b* of subsection 2 of section 2 of the said Act is repealed and the following substituted therefor: s. 2 (2) (*b*), re-enacted

(*b*) owned real property, timber resource property or a timber limit in Ontario the income from which arose from the sale or rental thereof or is a royalty or timber royalty; or

. . . . .

(2) Clause *b* of subsection 3 of the said section 2 is repealed and the following substituted therefor: s. 2 (3) (*b*), re-enacted

(*b*) owned real property, timber resource property or a timber limit in Ontario the income from which arose from the sale or rental thereof or is a royalty or a timber royalty and the corporation has elected to file a return of income under Part I of the *Income Tax Act* (Canada) pursuant to section 216 of that Act; or 1970-71, c. 63 (Can.)

. . . . .

3. Section 3 of the said Act is repealed and the following substituted therefor: s. 3, re-enacted

3. For the purposes of subsection 2 or 3 of section 2, a corporation "owned real property, timber resource property or a timber limit" if it had a legal, equitable or beneficial interest in the real property, timber resource property or timber limit. Interpretation

s. 16 (1) (*b*), re-enacted

4.—(1) Clause *b* of subsection 1 of section 16 of the said Act is repealed and the following substituted therefor:

Amounts receivable in respect of services, etc., rendered

(*b*) any amount receivable by the corporation in respect of property sold or services rendered in the course of a business in the year, notwithstanding that the amount or any part thereof is not due until a subsequent year, unless the method adopted by the corporation for computing income from the business and accepted for the purpose of this Part does not require it to include any amount receivable in computing its income for a fiscal year unless it has been received in the year.

s. 16 (1), amended

(2) Subsection 1 of the said section 16, as amended by the Statutes of Ontario, 1973, chapter 157, section 2, is further amended by striking out "and" at the end of clause *m*, by adding "and" at the end of clause *n* and by adding thereto the following clause:

Royalties, etc., to be included in income

(*o*) any amount (other than an amount, referred to in clause *n* of subsection 1 of section 22, paid or payable by the corporation) receivable in the year or the fair market value of any property receivable (other than an amount of property receivable by Her Majesty in right of Canada for the use and benefit of a band or bands as defined in the *Indian Act* (Canada)) in the year by,

R.S.C. 1970, c. I-6

(i) Her Majesty in right of Canada or a province,

(ii) an agent of Her Majesty in right of Canada or a province, or

(iii) a corporation, commission or association that is controlled, directly or indirectly in any manner whatever, by Her Majesty in right of Canada or a province or by an agent of Her Majesty in right of Canada or a province,

as a royalty or an equivalent amount, tax (other than a tax or portion thereof that may reasonably be considered to be a municipal or school tax levied for the purpose of providing services in the immediate area of the property of the corporation), rental, bonus, levy or otherwise or as an amount, however described, that may reasonably be regarded as being in lieu of a royalty or an equivalent amount, tax, rental, bonus, levy or other amount, whether such royalty or equivalent amount, tax, rental,

SECTION 4.—Subsection 1. Amends clause *b* of subsection 1 of section 16 of the Act to make it clear that amounts that become *receivable* in the year are to be included in income even though the payment of such amounts may not be *due* until a subsequent year.

Subsection 2. Clause *o* is added to subsection 1 of section 16 of the Act to require inclusion in income of a corporation of amounts receivable in the year by the Crown from the corporation as a royalty or equivalent amount in respect of an oil, gas or mineral resource.

Subsections 3 and 4. Subsections 3 and 4 are added to section 16 of the Act to require financial institutions to include in income their interest income on the accrual basis; previously these corporations had the option of including interest income when received rather than when accrued—this option is removed and interest income must be included in the year receivable.

SECTION 5. This section adds a new section 16*a* to the Act to allow a corporation to report a cash bonus received on Canada Savings Bonds either as interest income or as a capital gain.

bonus, levy or other amount is receivable pursuant to any other Act or a contract, that may reasonably be regarded as being in relation to,

(iv) the acquisition, development or ownership by a corporation of a Canadian resource property or a property that would have been a Canadian resource property if it had been acquired after 1971, or

(v) the production in Canada of,

(A) petroleum, natural gas or related hydrocarbons, or

(B) metal or industrial minerals to any stage that is not beyond the prime metal stage or its equivalent,

from an oil or gas well or mineral resource situated on property in Canada from which the corporation had, at the time of such production, a right to take or remove petroleum, natural gas or related hydrocarbons or a right to take or remove metal or industrial minerals.

(3) The said section 16 is amended by adding thereto the following subsections: s. 16, amended

(3) Notwithstanding clause *c* of subsection 1 where the corporation is a bank, a credit union, a life insurance corporation, a trust company or any other corporation, other than a mutual fund corporation or a mortgage investment corporation, that borrows money from the public in the course of carrying on a business the principal purpose of which is the making of loans or whose principal business is the making of loans, there shall be included in computing its income from the business for a fiscal year interest accrued in respect of the year and interest receivable in the year to the extent that such interest was not included in computing the corporation's income for a previous fiscal year. Accrued interest of financial corporations

(4) For the purposes of subsection 3, "trust company" means a corporation licensed or otherwise authorized under the laws of Canada or a province to carry on in Canada the business of offering to the public its services as trustee. Interpretation

5. The said Act is amended by adding thereto the following section: s. 16*a*, enacted

16*a*. Notwithstanding any other provision of this Act, where in a fiscal year a corporation receives any amount from Cash bonus on Canada Savings Bond

the Government of Canada in respect of a Canada Savings Bond as a cash bonus that the Government of Canada has undertaken to pay, other than any amount of interest, bonus or principal agreed at the time of the issue of the bond to be paid under the terms of the bond, the corporation shall, in computing its income for the year, include,

(*a*) the amount, or such portion thereof, if any, as the corporation may report as interest; and

(*b*) an amount equal to one-half of the amount, if any, by which,

(i) the amount received as a cash bonus,

exceeds

(ii) the portion of the amount reported as interest under clause *a*,

as a taxable capital gain for the year from the disposition of a property.

s. 17, amended

6.—(1) Section 17 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 42, section 3, is further amended by adding thereto the following subsection:

Idem

(1*a*) Notwithstanding subsection 1, where in a fiscal year a timber resource property of a corporation has been disposed of, there shall be included in computing its income for the year the amount, if any, by which,

(*a*) the proceeds of disposition thereof,

exceeds

(*b*) the undepreciated capital cost to it, immediately before the disposition, of depreciable property of a prescribed class in which the timber resource property was included.

s. 17 (2), amended

(2) Subsection 2 of the said section 17 is amended:

(*a*) by striking out "subsection 1" in the first, ninth, nineteenth, twenty-seventh and thirty-eighth lines, and inserting in lieu thereof in each instance "subsection 1 or 1*a*"; and

(*b*) by striking out "subsection 1" in the sixth line and inserting in lieu thereof "subsections 1 and 1*a*".

SECTION 6.—Subsection 1. Amends section 17 of the Act by adding thereto a new subsection 1*a* to provide the rules on the disposition of timber resource property—the entire amount by which the proceeds of disposition exceed the undepreciated balance at the time of the disposition is to be included in income.

Subsection 2. Complementary to subsection 1; references to subsection 1*a* are added to subsection 2 of section 17 of the Act.

Subsection 3. Subsection 3 of section 17 of the Act is amended to extend the period during which the capital property of a corporation that has been expropriated, lost or destroyed must be replaced if the corporation is to obtain a deferral of recapture of capital cost allowance.

(3) Subsection 3 of the said section 17 is repealed and the following substituted therefor: s. 17 (3), re-enacted

(3) Where an amount that would otherwise be included in computing the income of a corporation for a fiscal year, hereinafter referred to as the "initial year", by virtue of this section is, Insurance and compensation proceeds

(*a*) an amount receivable, in respect of loss or destruction of property of a prescribed class,

(i) under a policy of insurance, or

(ii) otherwise as compensation for the property so lost or destroyed; or

(*b*) an amount receivable as compensation for property of a prescribed class taken under statutory authority or as the sale price of property sold to a person by whom notice of an intention to take it under statutory authority was given,

the following rule applies,

(*c*) the amount shall, to the extent that it has been used by a corporation,

(i) before the end of the time certified by the Minister to be a reasonable time following the initial year, if the property so lost, destroyed, taken or sold was a vessel, or

(ii) before the end of the second fiscal year following the initial year if the property is not property referred to in subclause i,

to acquire, as a replacement for the property referred to in clause *a* or *b*, a property, in this section referred to as "replacement property", of a prescribed class that has not been disposed of by the corporation before the time the property referred to in clause *a* or *b* was disposed of,

(iii) subject to subclause iv, not be included in computing the income of the corporation for the initial year, and

(iv) be deemed to be proceeds of disposition of a depreciable property of the corporation, that had a capital cost equal to the amount of those

proceeds and that was property of the same class as the replacement property, from a disposition made on the later of,

(A) the time the replacement property was acquired, or

(B) the time immediately after the time the property referred to in clause *a* or *b* was disposed of.

s. 17 (6), par. 5, re-enacted

(4) Paragraph 5 of subsection 6 of the said section 17 is repealed and the following substituted therefor:

5. Where a corporation has received or is entitled to receive a grant, subsidy, forgivable loan, investment allowance or other assistance from a government, municipality or other public authority in respect of or for the acquisition of property, other than an amount,

i. authorized to be paid under an *Appropriation Act* (Canada) and on terms and conditions approved by the Minister in respect of scientific research expenditures incurred for the purpose of advancing and sustaining the technological capability of Canadian manufacturing or other industry, or

R.S.C. 1970, c. I-10

1965, c. 12 (Can.)

ii. authorized to be paid under the *Industrial Research and Development Incentives Act* (Canada) or the *Area Development Incentives Act* (Canada) and approved by the Minister,

the capital cost of the property to the corporation shall be deemed to be the amount by which the aggregate of,

iii. the capital cost thereof to the corporation, otherwise determined, and

iv. such part, if any, of the assistance as has been repaid by the corporation pursuant to an obligation to repay all or any part of that assistance,

exceeds

v. the amount of the assistance.

s. 17 (6), amended

(5) Subsection 6 of the said section 17 is amended by adding thereto the following paragraph:

Subsection 4. Paragraph 5 of subsection 6 of section 17 is amended to expand the present provisions so that the capital cost of property must be reduced not only by the amount of any grant, subsidy or other governmental assistance, but also by the amount of any forgivable loans or investment allowances received from any government.

Subsection 5. Subsection 6 of section 17 of the Act is amended by adding a new paragraph 6 to provide the rules that will apply in determining the undepreciated capital cost of property purchased to replace depreciable property that has been expropriated, lost or destroyed.

Subsections 6, 7, 8 and 9. Subsections 11, 14, 15 and 16 of section 17 of the Act are amended to extend to July 1st, 1975 the period during which a corporation must use the proceeds of disposition of certain commercial vessels to replace the vessels, if the corporation is to obtain deferral of the recapture of capital cost allowance.

Subsection 10. Subsection 17 of section 17 is amended by adding thereto clause *da* to define "timber resource property", to which, as a result of other amendments in this Bill, special rules apply.

6. Notwithstanding clause *f* of subsection 17,

i. the undepreciated capital cost referred to in subclause ii of clause *c* of subsection 1 of section 46 shall be determined after giving effect to the disposition of the former property referred to in subsection 1 of section 46, and

ii. the undepreciated capital cost, immediately before the time determined under sub-subclause B of subclause iv of clause *c* of subsection 3, of the class of property to which the replacement property referred to in clause *c* of subsection 3 belongs shall be determined after giving effect to,

(A) the disposition of the former property referred to in subsection 1 of section 46, and

(B) the reduction, referred to in clause *b* of subsection 1 of section 46, in the capital cost of that replacement property.

(6) Clause *a* of subsection 11 of the said section 17 is amended by inserting after "before" in the fifth line "May" and by striking out "1974" in the twenty-eighth line and inserting in lieu thereof "1975". s. 17 (11) (*a*), amended

(7) Subsection 14 of the said section 17 is amended by striking out "expended" in the third line and inserting in lieu thereof "used", by striking out "subclause iii of" in the third and fourth lines and by striking out "1974" in the seventh line and inserting in lieu thereof "1975". s. 17 (14), amended

(8) Subsection 15 of the said section 17 is amended by striking out "1974" in the sixth line and inserting in lieu thereof "1975" and by striking out "1974" in the twenty-seventh line and inserting in lieu thereof "the 1st day of July, 1975". s. 17 (15), amended

(9) Subsection 16 of the said section 17 is amended by striking out "1974" in the fifth line and in the twenty-fourth line and inserting in lieu thereof in each instance "1975". s. 17 (16), amended

(10) Subsection 17 of the said section 17 is amended by adding thereto the following clause: s. 17 (17), amended

(*da*) "timber resource property" of a corporation means,

(i) a right or licence to cut or remove timber from a limit or area in Canada, in this clause referred to as an "original right", if,

(A) that original right was acquired by the corporation, other than in the manner referred to in subclause ii, after May 6, 1974, and

(B) at the time of the acquisition of the original right,

1. the corporation may reasonably be regarded as having acquired, directly or indirectly, the right to extend or renew that original right or to acquire another such right or licence in substitution therefor, or

2. in the ordinary course of events, the corporation may reasonably expect to be able to extend or renew that original right or to acquire another such right or licence in substitution therefor, or

(ii) any right or licence owned by the corporation to cut or remove timber from a limit or area in Canada if that right or licence may reasonably be regarded,

(A) as an extension or renewal of or as one of a series of extensions or renewals of an original right of the corporation, or

(B) as having been acquired in substitution for or as one of a series of substitutions for an original right of the corporation or any renewal or extension thereof.

s. 17 (17) (*f*), amended

(11) Clause *f* of subsection 17 of the said section 17 is amended by,

(*a*) inserting after "property" in the first and second lines of subclause ii "other than a timber resource property"; and

(*b*) adding thereto the following subclause:

Subsection 11. Subclause ii of clause *f* of subsection 17 of section 17 of the Act is amended to make it clear that the provisions of the Act to determine the undepreciated capital cost of property of a prescribed class will not apply in the case of a disposition of a timber resource property; and subclause ii*a* is added to the said clause *f* to provide the rule that will apply where the proceeds of disposition of a timber resource property is less than the undepreciated balance in the class.

SECTION 7.—Subsection 1. Clause *n* of subsection 1 of section 22 of the Act is re-enacted to provide that royalties or equivalent amounts payable by oil, gas and mining corporations to governments or their agencies will not be deductible from the income of such corporations.

(ii*a*) for each disposition before that time of a timber resource property of the corporation of that class, the lesser of,

(A) the proceeds of disposition of the property, and

(B) the undepreciated capital cost to it of property of that class immediately before the disposition.

7.—(1) Clause *n* of subsection 1 of section 22 of the said Act, as enacted by the Statutes of Ontario, 1974, chapter 75, section 2, is repealed and the following substituted therefor: s. 22 (1) (*n*), re-enacted

(*n*) any amount paid or payable in the year or the fair market value of any property paid or payable in the year (other than an amount or property paid or payable to Her Majesty in right of Canada for the use and benefit of a band or bands as defined in the *Indian Act* (Canada)) to, Royalties R.S.C. 1970, c. I-6

(i) Her Majesty in right of Canada or a province,

(ii) an agent of Her Majesty in right of Canada or a province, or

(iii) a corporation, commission, or association that is controlled, directly or indirectly in any manner whatever, by Her Majesty in right of Canada or a province or by an agent of Her Majesty in right of Canada or a province,

as a royalty or an equivalent amount, tax (other than a tax or portion thereof that may reasonably be considered to be a municipal or school tax levied for the purpose of providing services in the immediate area of the property of the corporation), rental, bonus, levy or otherwise or as an amount, however described, that may reasonably be regarded as being in lieu of a royalty or an equivalent amount, tax, rental, bonus, levy or other amount (whether such royalty or equivalent amount, tax, rental, bonus, levy or other amount is paid or payable pursuant to any other Act or a contract) that may reasonably be regarded as being in relation to,

(iv) the acquisition, development or ownership of a Canadian resource property, or a property

that would have been a Canadian resource property if it had been acquired after 1971, or

(v) the production in Canada of,

(A) petroleum, natural gas or related hydro-carbons, or

(B) metal or industrial minerals, to any stage that is not beyond the prime metal stage or its equivalent,

from an oil or gas well or mineral resource situated on property in Canada from which the corporation had, at the time of such production, a right to take or remove petroleum, natural gas or related hydro-carbons or a right to take or remove metal or industrial minerals.

s. 22 (3), re-enacted

(2) Subsection 3 of the said section 22 is repealed and the following substituted therefor:

Meaning of certain expressions in sub. 2

(3) In subsection 2,

(*a*) "interest on borrowed money used to acquire land" includes,

(i) interest paid or payable in a year in respect of borrowed money that cannot be identified with particular land but that may nonetheless reasonably be considered, having regard to all the circumstances, as interest on borrowed money used in respect of or for the acquisition of land, and

(ii) interest paid or payable in the year by a corporation in respect of borrowed money that may reasonably be considered, having regard to all the circumstances, to have been used to assist, directly or indirectly, another person with whom the corporation does not deal at arm's length to acquire land to be used or held by that person, otherwise than as described in clause *c* or *e* or subsection 2, except where the assistance is in the form of a loan to that person and a reasonable rate of interest thereon is charged by the corporation; and

Subsection 2. Subsection 3 of section 22 of the Act is re-enacted to amend the definition of "land" in order to make it clear that commercial parking lots will be regarded as land for the purpose of subsection 2 of section 22 of the Act; also there is added a definition of the expression "interest on borrowed money used to acquire land" to make it clear that any interest that may reasonably be considered to be on money borrowed to acquire land will be treated as such, even if it is not possible to directly identify the borrowed money with the land.

Subsection 3. Subsection 5 of section 22 of the Act is re-enacted to provide with respect to a Canadian subsidiary of a non-resident life insurance corporation an exception to the present provisions which require that interest payable by Canadian subsidiaries of certain non-resident parent corporations (in respect of certain obligations and income debts owing to the parent corporation) is not deductible in computing the income of the Canadian subsidiary.

(*b*) "land" does not, except to the extent that it is used for the provision of parking facilities for a fee or charge, include,

(i) any property that is a building or other structure affixed to land,

(ii) the land subjacent to any property described in subclause i, or

(iii) such land immediately contiguous to the land described in subclause ii that is a parking area, driveway, yard, garden or similar land that is necessary for the use of any property described in subclause i.

(3) Subsection 5 of the said section 22, as amended by the Statutes of Ontario, 1973, chapter 157, section 4, is repealed and the following substituted therefor: s. 22 (5), re-enacted

(5) In subsection 4, "outstanding debts to specified non-residents" of a corporation at any particular time in a fiscal year means, Meaning of certain expressions in subs. 4

(*a*) the aggregate of amounts each of which is an amount outstanding at that time as or on account of a debt or other obligation to pay an amount,

(i) that was payable by the corporation to a person who was, at any time in the year,

(A) a shareholder of the corporation, who, either alone or together with persons with whom the shareholder was not dealing at arm's length, owned 25 per cent or more of the issued shares of any class of the corporation and who was,

1. a person not resident in Canada, or

2. a non-resident-owned investment corporation, or

(B) a person described in paragraph 1 or 2 of sub-subclause A who was not dealing at arm's length, with a shareholder of the corporation, if the shareholder, either alone or together with persons with whom he was not dealing

at arm's length, owned 25 per cent or more of the issued shares of any class of the corporation, and

(ii) on which any amount in respect of interest paid or payable by the corporation is or would be, but for subsection 4, deductible in computing the corporation's income for the year,

but does not include,

(*b*) where the corporation is a subsidiary of a non-resident life insurance corporation, the aggregate of amounts each of which is an amount outstanding at that time as or on account of a debt or other obligation to pay an amount to the life insurance corporation and such debt or other obligation has, by virtue of an election made under subsection 9 of section 138 of the *Income Tax Act* (Canada), been included by the life insurance corporation in its fiscal year that included the particular time as property held by it in the year in the course of carrying on an insurance business in Canada and the life insurance corporation has included the revenue therefrom in computing its income for the year from carrying on an insurance business in Canada.

1970-71, c. 63 (Can.)

s. 24 (1) (*p*), amended

8.—(1) Clause *p* of subsection 1 of section 24 of the said Act is amended by striking out "receivable" in the fifth line and inserting in lieu thereof "due".

s. 24 (1) (*dd*), re-enacted

(2) Clause *dd* of subsection 1 of the said section 24 is repealed and the following substituted therefor:

Fees paid to investment counsel

(*dd*) an amount other than a commission paid by the corporation in the fiscal year to a person,

(i) for advice as to the advisability of purchasing or selling a specific share or security of the corporation, or

(ii) for services in respect of the administration or management of shares or securities of the corporation,

if that person's principal business,

(iii) is advising others as to the advisability of purchasing or selling specific shares or securities, or

SECTION 8.—Subsection 1. Clause *p* of subsection 1 of section 24 of the Act is amended by changing the word "receivable" to "due" to make it clear that the reserve permitted under clause *p* may be claimed only where payment of this amount is not yet due.

Subsection 2. Clause *dd* of subsection 1 of section 24 of the Act is re-enacted to allow the deduction of the full amount of investment counsel fees (the deduction previously was for 50% of such fees).

Subsection 3. Subsection 5 of section 24 of the Act is amended to exclude bad debts arising on the sale of timber resource property from the reduction of the deduction for bad debts.

Subsection 4. Subsection 5*a* is added to section 24 of the Act to permit deduction from income where any part of the proceeds of disposition of a timber resource property is established by the corporation to have become a bad debt.

Subsection 5. Subsection 6 of section 24 is amended to make it clear that the provisions of that subsection do not apply in the case of a disposition of a timber resource property.

Subsection 6. Subsection 6*a* is added to section 24 of the Act to provide that where the proceeds of disposition of a timber resource property includes a mortgage or similar instrument that is subsequently sold for an amount less than the principal amount, the difference may be deducted from income.

Subsection 7. Subsection 9 of section 24 of the Act is re-enacted to make it clear that the reserve for amounts not yet due will not be allowed for a fiscal year if at the end of that year or in the immediately following fiscal year the corporation ceased to have a permanent establishment in Canada.

(iv) includes the provision of services in respect of the administration or management of shares or securities.

(3) Subsection 5 of the said section 24 is amended by inserting after "property" in the second line "other than a timber resource property". s. 24 (5), amended

(4) The said section 24, as amended by the Statutes of Ontario, 1973, chapter 42, section 5, 1973, chapter 157, section 5 and 1974, chapter 75, section 3, is further amended by adding thereto the following subsection: s. 24, amended

(5*a*) Where an amount that is owing to a corporation as or on account of the proceeds of disposition of a timber resource property of the corporation is established by it to have become a bad debt in a fiscal year, the amount so owing to the corporation may be deducted in computing its income for the fiscal year. Idem

(5) Subsection 6 of the said section 24 is amended by inserting after "property" in the first line "other than a timber resource property". s. 24 (6), amended

(6) The said section 24 is further amended by adding thereto the following subsection: s. 24, amended

(6*a*) Where a timber resource property of a corporation has, in a fiscal year, been disposed of to a person with whom the corporation was dealing at arm's length, and the proceeds of disposition include an agreement for sale of or mortgage or hypothec on land that the corporation has, in a subsequent fiscal year, sold to a person with whom it was dealing at arm's length, there may be deducted in computing the income of the corporation for the subsequent fiscal year the amount, if any, by which the principal amount of the agreement for sale, mortgage or hypothec outstanding at the time of the sale exceeds the consideration paid by the purchaser to the corporation for the agreement for sale, mortgage or hypothec. Idem

(7) Subsection 9 of the said section 24 is repealed and the following substituted therefor: s. 24 (9), re-enacted

(9) Clause *p* of subsection 1 does not apply to allow a deduction in computing the income of a corporation for a fiscal year from a business in respect of a property sold in the course of the business if the corporation, at the end of the fiscal year or at any time in the immediately following fiscal year, No deduction in respect of property in certain circumstances

(*a*) was exempt from tax under any provision of this Part; or

(*b*) ceased to have a permanent establishment in Canada.

s. 24 (10), amended

(8) Subsection 10 of the said section 24 is amended by inserting after "the" in the sixth line "nine".

s. 24, amended

(9) The said section 24 is further amended by adding thereto the following subsection:

Convention expenses

(10*a*) Notwithstanding clause *b* of subsection 1 of section 22, there may be deducted in computing the income of a corporation for a fiscal year from a business an amount paid by the corporation in the fiscal year as or on account of expenses incurred by an employee or officer of the corporation in attending, in connection with the business, not more than two conventions held during the year by a business or professional organization at a location that may reasonably be regarded as consistent with the territorial scope of that organization.

s. 25 (2), amended

9.—(1) Subsection 2 of section 25 of the said Act is amended by inserting after "development" in the second and third lines and in the fourth line "or the acquisition of property" and by striking out "and" in the fourth line and inserting in lieu thereof "or".

s. 25 (2) (*a*), amended

(2) Clause *a* of subsection 2 of the said section 25 is amended by striking out "and" in the twelfth line and inserting in lieu thereof "or".

s. 25 (2) (*b*), amended

(3) Clause *b* of subsection 2 of the said section 25 is amended by striking out "exploration, prospecting and development expenses" in the third line and inserting in lieu thereof "Canadian exploration and development expenses as defined in section 63".

s. 26 (2), amended

10. Subsection 2 of section 26 of the said Act is amended by inserting after "shall", in the fourth line "subject to subsection 1 of section 66".

s. 27 (2), repealed

11. Subsection 2 of section 27 of the said Act is repealed.

s. 35 (1) (*a*), re-enacted

12.—(1) Clause *a* of subsection 1 of section 35 of the said Act is repealed and the following substituted therefor:

(*a*) the aggregate of,

(i) 1½ per cent of the lesser of,

Subsection 8. Subsection 10 of section 24 of the Act is amended for the purpose of clarification.

Subsection 9. Subsection 10*a* is added to section 24 of the Act to allow a corporation to deduct certain convention expenses of its employees and officers, for not more than two conventions in each year.

SECTION 9. Subsection 2 of section 25 is amended to provide that the election that corporations have to deduct in the year incurred or carry forward to subsequent fiscal years the interest cost of money borrowed for the purpose of exploration, prospecting or development, will also apply to the interest cost of money borrowed to purchase certain resource properties.

SECTION 10. Subsection 2 of section 26 of the Act is amended by making the said subsection 2 subject to subsection 1 of section 66 of the Act in order to make it clear that the provisions of subsection 1 of section 66 apply where the parties to a sale of accounts receivable are not dealing with each other at arm's length.

SECTION 11. Subsection 2 of section 27 of the Act is repealed, with the result that in the case of a non-arm's length sale of inventory for inadequate consideration the fair market value of the inventory must be used (since section 66 of the Act will be applicable).

SECTION 12.—Subsection 1. Clause *a* of subsection 1 of section 35 of the Act is re-enacted to reduce the investment reserve on outstanding loans in excess of $2,000,000,000 allowed to corporations lending on the security of mortgages; the rate on the amount in excess of $2,000,000,000 will be 1 per cent instead of the former 1½ per cent.

(A) the aggregate of,

1. each amount outstanding at the end of the fiscal year as or on account of the amortized cost of loans made by the corporation on the security of a mortgage, hypothec or agreement for sale of real property, or as or on account of the amortized cost of any such mortgage, hypothec or agreement for sale purchased by the corporation,

2. each amount due and unpaid at the end of the fiscal year as or on account of interest payable to the corporation under a mortgage, hypothec or agreement for sale of real property,

3. each amount that has been taken into account in computing the income of the corporation for the fiscal year as or on account of the value of real property of the corporation that was included in the inventory of the corporation at the end of the year and that was acquired, by foreclosure or otherwise, after default made under a mortgage, hypothec or agreement for sale of real property, otherwise than as or on account of the value of real property in respect of which any amount for the year has been included under paragraph 1 or 2, and

4. where the corporation is licensed or otherwise authorized under the laws of Canada or a province to carry on in Canada the business of offering to the public its services as trustee, each amount outstanding at the end of the fiscal year as or on ac-

count of the amortized cost of a bond or debenture (other than a bond or debenture that matures within one year after that time) owned by the corporation at that time and held by it in respect of money received by it in trust for investment subject to a guarantee by it in respect of the repayment of the principal or the payment of interest, or both, and each amount due and unpaid as or on account of interest payable in respect of such bond or debenture to the corporation, and

(B) $2,000,000,000, and

(ii) 1 per cent of the amount, if any, by which the aggregate referred to in sub-subclause A of subclause i exceeds the amount referred to in sub-subclause B of subclause i; and

. . . . .

s. 35, amended

(2) The said section 35 is amended by adding thereto the following subsection:

Interpretation

(3) In this section, "amortized cost" of a bond, debenture, mortgage, hypothec or agreement for sale at any time means the amount, if any, by which the aggregate of,

(*a*) the cost to the corporation of acquiring the bond, debenture, mortgage, hypothec or agreement for sale; and

(*b*) the portion of the amount, if any, by which,

(i) the principal amount of the bond, debenture, mortgage, hypothec or agreement for sale at the time it was acquired by the corporation,

exceeds

(ii) the cost thereof to the corporation of acquiring it,

Subsection 2. Subsection 3 of section 35 is enacted to define the expression "amortized cost" as used in the above amendment to clause *a* of subsection 1 of section 35.

SECTION 13. Subsections 1 and 2 amend subsection 1 of section 39 to allow a corporation to deduct such part of its scientific expenditures as it may claim and to allow it to carry forward the unclaimed balance for deduction in subsequent fiscal years.

that was included in computing the income of the corporation for any fiscal year ending at or before that time,

exceeds the aggregate of,

(*c*) the portion of the amount, if any, by which,

(i) the cost to the corporation of acquiring the bond, debenture, mortgage, hypothec or agreement for sale,

exceeds

(ii) the principal amount thereof at the time it was acquired by the corporation,

that was deducted in computing the income of the corporation for any fiscal year ending at or before that time; and

(*d*) the aggregate of all amounts that, before that time, the corporation became entitled to receive as or on account or in lieu of payment of or in satisfaction of the principal amount of the bond, debenture, mortgage, hypothec or agreement for sale.

13.—(1) Clause *a* of subsection 1 of section 39 of the said Act is amended by striking out "all expenditures of a current nature made in Canada in the fiscal year" in the first and second lines and inserting in lieu thereof "such amounts as may be claimed by the corporation not exceeding all expenditures of a current nature made in Canada by the corporation in the fiscal year or in any previous fiscal year ending after 1973". s. 39 (1) (*a*), amended

(2) Subsection 1 of section 39 is amended by striking out all that portion thereof following subclause ii of clause *b* and inserting in lieu thereof the following: s. 39 (1), amended

(*c*) such amounts as may be claimed by the corporation not exceeding all expenditures in the fiscal year or in any previous fiscal year ending after 1973 by way of repayment of amounts paid to the corporation under an *Appropriation Act* (Canada) and on terms and conditions approved by the Minister in respect of scientific research expenditures incurred for the purpose of advancing or sustaining the technological capability of Canadian manufacturing or other industry,

exceeds

(*d*) the aggregate of all amounts paid to the corporation in the fiscal year or in any previous fiscal year ending after 1973 under an *Appropriation Act* (Canada) and on terms and conditions described in clause *c*,

to the extent that such expenditures were not deducted in computing the income of the corporation for any previous fiscal year.

s. 41 (1) (*a*), amended

14. Clause *a* of subsection 1 of section 41 of the said Act is amended by striking out "or" at the end of subclause ii, by striking out "and" at the end of subclause iii and inserting in lieu thereof "or" and by adding thereto the following subclause:

(iv) a timber resource property; and

. . . . . .

s. 42 (2) (*a*), re-enacted

15.—(1) Clause *a* of subsection 2 of section 42 of the said Act is repealed and the following substituted therefor:

(*a*) subclause iii of clause *a* of subsection 1 does not apply to permit a corporation to claim any amount thereunder in computing a gain for a fiscal year if,

(i) the corporation, at the end of the fiscal year or at any time in the immediately following fiscal year, ceased to have a permanent establishment in Canada or was exempt from tax under any provision of this Part, or

(ii) the purchaser of the property sold is a corporation that, immediately after the sale,

(A) was controlled directly or indirectly by the corporation,

(B) was controlled directly or indirectly by a person or group of persons by whom the corporation was controlled directly or indirectly, or

(C) controlled the corporation directly or indirectly.

s. 42 (3) (*b*), re-enacted

(2) Clause *b* of subsection 3 of the said section 42 is repealed and the following substituted therefor:

(*b*) the aggregate of,

SECTION 14. Clause *a* of subsection 1 of section 41 of the Act is amended to make it clear that the profit from the sale of a timber resource property will not be treated as a capital gain.

SECTION 15.—Subsection 1. Clause *a* of section 42 of the Act is amended to provide that the reserve, allowed where proceeds from the sale of capital assets is not receivable in the year, will not be allowed where at the end of the year or in the following year the corporation becomes exempt from tax, or where the sale was not at arm's length.

Subsection 2. Clause *b* of subsection 3 of section 42 of the Act is amended for the purpose of clarification as to the "cost" to be used in determining under the said subsection 3 whether there is a capital gain.

SECTION 16. This section amends section 45 of the Act to make it clear that the provisions for determining the gain from the sale of part of a property also apply in determining losses from such dispositions.

SECTION 17. This section re-enacts section 46 of the Act to extend by one year the period during which property that has been expropriated, lost or destroyed must be replaced in order to obtain a deferral of the realization of a capital gain.

(i) the cost to the corporation of the property determined for the purpose of computing the adjusted cost base to it of that property at that time, and

(ii) all amounts required by subsection 1 of section 55 to be added to the cost to the corporation of the property in computing the adjusted cost base to it of that property at that time,

. . . . .

16. Section 45 of the said Act is amended by inserting after "gain" in the first line "or loss". s. 45, amended

17. Section 46 of the said Act is repealed and the following substituted therefor: s. 46, re-enacted

Deferral of gain on involuntary disposition

46.—(1) Where in a fiscal year an amount has become receivable, as described in subsection 2, by a corporation as proceeds of disposition described in subclause iii or iv of clause *d* of subsection 17 of section 17 or subclause iii or iv of clause *i* of section 56 of any capital property, in this section referred to as its "former property", and, before the end of the second fiscal year following the fiscal year in which such amount became receivable, the corporation has acquired a capital property, in this section referred to as its "replacement property", as a replacement for the former property and the replacement property has not been disposed of by the corporation prior to the time it disposed of the former property, notwithstanding subsection 1 of section 42,

(*a*) the gain, if any, from the disposition of the former property is the lesser of,

(i) the gain therefrom otherwise determined, and

(ii) the amount, if any, by which the proceeds of disposition of the former property exceed the cost, or in the case of depreciable property the capital cost, to the corporation, determined without reference to clause *b*, of the replacement property;

(*b*) the cost, or in the case of depreciable property the capital cost, to the corporation of the replacement property, at any time after the time it disposed of the former property, shall be deemed to be the cost, or in the case of depreciable property the

capital cost, to the corporation of the replacement property otherwise determined, minus the amount, if any, by which the gain described in subclause i of clause *a* exceeds the amount, if any, determined under subclause ii of clause *a*; and

(*c*) where the replacement property was depreciable property of a prescribed class and that property was acquired by the corporation prior to the time it disposed of the former property, the amount, if any, by which,

(i) the reduction in the capital cost to it of the replacement property by virtue of clause *b*,

exceeds

(ii) the undepreciated capital cost to the corporation of depreciable property of the class to which the replacement property belongs, immediately before the reduction in the capital cost referred to in subclause i,

shall be included in computing the income of the corporation for the fiscal year in which the former property was disposed of and shall, for the purposes of subsection 2 of section 17 be deemed to have been so included by virtue of subsection 1 of section 17 in respect of a disposition of depreciable property of the class to which the replacement property belongs.

Idem

(2) For the purposes of this Act, the day on which a corporation has disposed of a property, the proceeds of disposition from which are described in subclause iii or iv of clause *d* of subsection 17 of section 17 or subclause iii or iv of clause *i* of section 56, and the day on which an amount has become receivable by that corporation as proceeds of disposition of such a property shall be deemed to be the earliest of,

(*a*) the day the corporation has agreed to an amount as full compensation to it for the property lost, destroyed, taken or sold;

(*b*) where a claim, suit, appeal or other proceeding has been taken before one or more tribunals or courts of competent jurisdiction, the day on which the corporation's compensation for the property is finally determined by such tribunals or courts;

SECTION 18. This section amends subsection 2 of section 47 of the Act to clarify an incorrect reference.

SECTION 19. Section 51 of the Act is amended by adding subsection 5 thereto to provide that the provisions relating to the granting of options shall apply to renewals or extensions thereof; a renewal or extension of an option is treated as if a new option was granted at the time of the renewal or extension.

SECTION 20. Section 53 of the Act is re-enacted to make it clear that the permitted deferral of the realization of capital gains or losses on exchanges of shares is limited to those exchanges where no consideration is received by the corporation on the exercise of its conversion right other than shares of one class of the capital stock of the other corporation.

(*c*) where a claim, suit, appeal or other proceeding, referred to in clause *b* has not been taken before a tribunal or court of competent jurisdiction within two years of the loss, destruction or taking of the property, the day that is two years following the day of the loss, destruction or taking;

(*d*) the day on which the corporation is deemed by section 50 to have disposed of the property; and

(*e*) where the corporation is not a subsidiary corporation referred to in subsection 1 of section 82, the day immediately before the winding up of the corporation,

and the corporation shall be deemed to have owned the property continuously until the day so determined.

18. Subsection 2 of section 47 of the said Act is amended by inserting after "where" in the first line "subclause i of". s. 47 (2), amended

19. Section 51 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 157, section 11, is further amended by adding thereto the following subsection: s. 51, amended

(5) Where a corporation has granted an option, in this subsection referred to as the "original option", to which subsection 1 or 2 applies, and has granted one or more extensions or renewals of that original option, Idem

(*a*) for the purposes of subsections 1 and 2, the granting of each extension or renewal shall be deemed to be the granting of an option at the time the extension or renewal is granted;

(*b*) for the purposes of subsections 2, 3 and 4 and subsubclause D of subclause ii of clause *c* of section 56, the original option and each extension or renewal thereof shall be deemed to be the same option; and

(*c*) subsection 4 shall be read as if the fiscal year in which the original option was granted and each fiscal year in which any extension or renewal thereof was granted were all initial fiscal years.

20. Section 53 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 157, section 12, is repealed and the following substituted therefor: s. 53, re-enacted

Convertible properties

53. Where shares of one class of the capital stock of a corporation have, after the 6th day of May, 1974, been acquired by a person in exchange for a capital property of the person that was a share, bond, debenture or note of the corporation, in this section referred to as a "convertible property", the terms of which conferred upon the holder the right to make the exchange and no consideration was received by the person for the convertible property other than shares of that class,

(*a*) the exchange shall be deemed not to have been a disposition of property; and

(*b*) the cost to the person of the shares shall be deemed to be the adjusted cost base to him of the convertible property immediately before the exchange.

s. 54 (1), amended

21.—(1) Subsection 1 of section 54 of the said Act is amended by inserting after "1971" in the second line "(other than property acquired as described in subsection 2, 3 or 6)".

s. 54 (1*a*), amended

(2) Subsection 1*a* of the said section 54, as enacted by the Statutes of Ontario, 1973, chapter 157, section 13, is amended by inserting after "1971" in the third line "(other than property acquired as described in subsection 2, 3 or 6)".

s. 55 (1) (*c*), amended

22.—(1) Clause *c* of subsection 1 of section 55 of the said Act is amended by striking out "loan" in the fifth line and inserting in lieu thereof "a loan or, subject to subsection 1*a*, a disposition of property in respect of which the corporation and that other corporation have made an election under section 79".

s. 55 (1), amended

(2) Subsection 1 of the said section 55, as amended by the Statutes of Ontario, 1973, chapter 157, section 14, is further amended by adding thereto the following clauses:

(*ca*) where the property is a share of the capital stock of a foreign affiliate of the corporation, any amount required by paragraph *a* of subsection 1 of section 92 of the *Income Tax Act* (Canada) to be added in computing the adjusted cost base to it of the share;

1970-71, c. 63 (Can.)

(*cb*) where the property is a capital interest of the corporation in a trust to which paragraph *d* of subsection 1 of section 94 of the *Income Tax Act* (Canada) applies, any amount required by paragraph *a* of subsection 5 of section 94 of that Act

SECTION 21. Subsections 1 and 1*e* of section 54 are amended to make it clear that the rules in those subsections as to the cost of certain property do not apply to the acquisitions of property referred to in subsections 2, 3 and 6 of section 54. This amendment eliminates from the section the ambiguity in that regard.

SECTION 22.—Subsection 1. This amendment to clause *c* of subsection 1 of section 55 is complementary to the enactment of subsection 1*a* of section 55 of the Act and the amendments to section 79 of the Act.

Subsection 2. Subsection 1 of section 55 of the Act is amended by adding thereto clause *ca* to require that there be added to the cost of shares of a foreign affiliate the amount of foreign accrued property income that has been included in income; and clause *cb* to require to be added to the cost of a capital interest in a trust the amount of foreign accrual property income that has been included in income.

Subsections 3, 4 and 5. Amendments are made to clause *d* of subsection 1 of section 55 of the Act to clarify the provisions with regard to additions to the adjusted cost base of partnership interests.

Subsection 6. Subsection 1*a* is added to section 55 of the Act to provide a rule for determining the amount to be added to the adjusted cost base of property where a corporation that has made capital contributions to another corporation of which it is a shareholder sells those shares before May 7, 1974.

to be added in computing the adjusted cost base to it of the interest.

(3) Subclause i of clause *d* of subsection 1 of the said section 55 is amended by inserting after "share" in the fourth line, "other than a share under an agreement referred to in subsection 1*a* of section 85,". s. 55 (1) (*d*) (i), amended

(4) Sub-subclause B of subclause i of clause *d* of subsection 1 of the said section 55 is repealed and the following substituted therefor: s. 55 (1) (*d*) (i) (B), re-enacted

(B) clause *b* of subsection 1 of section 31*a*, clause *b* of subsection 2 of section 31*a*, clause *h* of this subsection, section 57 and subsection 2 of section 75.

(5) Clause *d* of subsection 1 of the said section 55 is amended by striking out "and" at the end of subclause iii, by adding "and" at the end of subclause iv and by adding thereto the following subclauses: s. 55 (1) (*d*), amended

(v) the corporation's share, other than a share under an agreement referred to in subsection 1*a* of section 85, of the amount, if any, by which,

(A) any proceeds of disposition that become receivable by the partnership in respect of the disposition after 1971 of a property owned by the partnership on the 31st day of December, 1971 that is a property referred to in subsection 3 of section 59,

exceeds

(B) the relevant percentage as defined in subsection 4 of section 59 of the proceeds of disposition described in sub-subclause A, and

(vi) any amount deemed by clause *c* of subsection 1 of section 87*a* to be a gain of the corporation for a fiscal year from a disposition before that time of the property.

(6) Section 55 of the said Act, as amended by the Statutes of Ontario 1973, chapter 157, section 14, is further amended by adding thereto the following subsection: s. 55, amended

Deemed contribution of capital

(1*a*) For the purposes of clause *c* of subsection 1, where there has been a disposition of property before the 7th day of May, 1974, and,

(*a*) the corporation and the other corporation referred to in that clause have made an election under section 79 in respect of that property; and

(*b*) the consideration received by the corporation for the property did not include shares of the capital stock of the other corporation,

the disposition of property shall be deemed to be a contribution of capital equal to the amount, if any, by which,

(*c*) the amount that the corporation and the other corporation have agreed upon in the election,

exceeds

(*d*) the fair market value at the time of the disposition of any consideration received by the corporation for the property so disposed of.

s. 55 (2), amended

(7) Subsection 2 of the said section 55, as amended by the Statutes of Ontario, 1973, chapter 157, section 14, is further amended by adding thereto the following clauses:

(*aa*) where the property is a share of the capital stock of another corporation not resident in Canada, any amount required by paragraph *d* of subsection 4 of section 80.1 of the *Income Tax Act* (Canada) or section 92 of that Act to be deducted in computing the adjusted cost base to the corporation of the share;

1970-71, c. 63 (Can.)

(*ab*) where the property is a capital interest of the corporation in a trust to which paragraph *d* of subsection 1 of section 94 of the *Income Tax Act* (Canada) applies, any amount required by paragraph *b* of subsection 5 of section 94 of that Act to be deducted in computing the adjusted cost base to it of the interest.

s. 55 (2) (*b*) (i), amended

(8) Subclause i of clause *b* of subsection 2 of the said section 55 is amended by inserting after "share" in the fourth line "(other than a share under an agreement referred to in subsection 1*a* of section 85)".

s. 55 (2) (*b*) (ii), amended

(9) Subclause ii of clause *b* of subsection 2 of the said section 55 is amended by striking out all that portion

Subsection 7. Subsection 2 of section 55 of the Act is amended by adding thereto clause *aa* providing a deduction from the adjusted cost base of shares of a non-resident corporation. This deduction, in respect of certain dividends received which represent a return of capital or a return of previously taxed foreign accrual property income, will result in a larger taxable capital gain when the shares are sold. In addition clause *ab* is added to subsection 2 of section 55 of the Act providing a reduction of the adjusted cost base of a capital interest in a trust by the amount of the gross-up of foreign taxes resulting in foreign accrual property income. This gross-up is allowed as a deduction from income. As a result of this reduction in cost, when the interest in the trust is disposed of, the taxable capital gain will be increased.

Subsections 8, 9 and 10. Amendments are made to clause *b* of subsection 2 of section 55 of the Act to clarify the provisions with respect to deductions from the adjusted cost base of an interest in a partnership.

Subsection 11. This amendment requires to be deducted from the adjusted cost base of property that is a share of a joint exploration corporation such portion of a contribution of capital to the joint exploration corporation as represents its Canadian exploration and development expenses.

Subsection 12. The existing provisions requiring deductions from the adjusted cost base of property that is a capital interest in a non-resident trust or a unit in a non-resident unit trust where more than 50 per cent of the property of such trust is taxable Canadian property, are expanded to make the provisions applicable to other types of property owned by the trust, including Canadian resource property and timber resource property.

immediately preceding sub-subclause B and inserting in lieu thereof the following:

(ii) an amount in respect of each fiscal year of the partnership ending after 1971 and before that time, other than a fiscal year after the fiscal year in which the corporation ceased to be a member of the partnership, equal to the corporation's share of the aggregate of,

(A) amounts that, but for clause *d* of subsection 1 of section 85, would be deductible in computing the income of the partnership for the fiscal year by virtue of the provisions of *The Corporations Tax Application Rules, 1972* relating to Canadian exploration and development expenses, and

. . . . .

(10) Subclause iv of clause *b* of subsection 2 of the said section 55 is amended by inserting after "share" in the fourth line "(other than a share under an agreement referred to in subsection 1*a* of section 85)". s. 55 (2) (*b*) (iv), amended

(11) Subsection 2 of the said section 55 is further amended by adding thereto the following clause: s. 55 (2), amended

(*ea*) where the property is a share of the capital stock of a joint exploration corporation (hereafter in this clause referred to as the "company") resident in Canada and the corporation has, after 1971, made a contribution of capital to the company otherwise than by way of a loan, which contribution was included in computing the adjusted cost base of the property by virtue of clause *c* of subsection 1, such portion of the contribution as may reasonably be considered to be part of an agreed portion, within the meaning given to that expression by clause *a* of subsection 12 of section 63, of the company's Canadian exploration and development expenses.

(12) Clauses *h* and *i* of subsection 2 of the said section 55 are repealed and the following substituted therefor: s. 55 (2) (*h*, *i*), re-enacted

(*h*) where the property is a capital interest in a trust, other than a unit trust, not resident in Canada

that was purchased after 1971 by the corporation from a non-resident person at a time when the fair market value of such of the trust property as was,

(i) a Canadian resource property,

(ii) property that would have been a Canadian resource property if it had been acquired after 1971,

(iii) an income interest in a trust resident in Canada,

(iv) taxable Canadian property, or

(v) a timber resource property,

was not less than 50 per cent of the aggregate of,

(vi) the fair market value of all the trust property, and

(vii) the amount of any money of the trust on hand,

that proportion of the amount, if any, by which,

(viii) the fair market value at that time of such of the trust property as was property described in subclauses i to v,

exceeds

(ix) the aggregate of the adjusted cost bases to the trust at that time of such of the trust properties as were properties described in subclauses i to v,

that the fair market value at that time of the interest is of the fair market value at that time of all capital interests in the trust;

(*i*) where the property is a unit of a unit trust not resident in Canada that was purchased after 1971 by the corporation from a non-resident person at a time when the fair market value of such of the trust property as was,

(i) a Canadian resource property,

Subsection 13. This amendment expands the existing provisions requiring deductions from the adjusted cost base of property in respect of a grant, subsidy or other governmental assistance, to require such deduction in respect of forgivable loans and investment allowances.

(ii) property that would have been a Canadian resource property if it had been acquired after 1971,

(iii) an income interest in a trust resident in Canada,

(iv) taxable Canadian property, or

(v) a timber resource property,

was not less than 50 per cent of the aggregate of,

(vi) the fair market value of all the trust property, and

(vii) the amount of any money of the trust on hand,

that proportion of the amount, if any, by which,

(viii) the fair market value at that time of such of the trust property as was property described in subclauses i to v,

exceeds

(ix) the aggregate of the adjusted cost bases to the trust at that time of such of the trust properties as were properties described in subclauses i to v,

that the fair market value at that time of the unit is of the fair market value at that time of all of the issued units of the trust.

s. 55 (2) (*j*), re-enacted

(13) Clause *j* of subsection 2 of the said section 55 is repealed and the following substituted therefor:

(*j*) where the property was acquired by the corporation after 1971, the amount, if any, by which,

(i) the amount of any assistance which it has received or is entitled to receive before that time from a government, municipality or other public authority, in respect of, or for the acquisition of, the property, whether as a grant, subsidy, forgivable loan, investment allowance or as any other form of assistance other than,

(A) an amount authorized to be paid under an *Appropriation Act* (Canada) and on terms and conditions approved by the Minister in respect of scientific research expenditures incurred for the purpose of advancing and sustaining the technological capability of Canadian manufacturing or other industry, or

(B) an amount deducted as an allowance under section 62,

exceeds

(ii) such part, if any, of the assistance referred to in subclause i as has been repaid before that time by the corporation pursuant to an obligation to repay all or any part of that assistance.

s. 55 (2), amended

(14) Subsection 2 of the said section 55 is further amended by striking out "and" at the end of clause *l*, by adding "and" at the end of clause *m* and by adding thereto the following clause:

(*n*) where the property is a foreign resource property, any amount that has become receivable by the corporation at a particular time in a fiscal year as the result of a transaction that occurred after the 6th day of May, 1974, in which the consideration given by the corporation for the amount was property or services, the original cost of which may reasonably be regarded as having been foreign exploration and development expenses of the corporation, or would have been so regarded if they had been incurred by it after 1971.

s. 56 (*c*) (iii), amended

23.—(1) Subclause iii of clause *c* of section 56 of the said Act is amended by striking out "clause *v*" in the fourth line and inserting in lieu thereof "subclause v".

s. 56 (*e*), amended

(2) Clause *e* of the said section 56 is amended by adding "and" at the end of subclause iii and by adding thereto the following subclause:

(iv) any annual payment made by the corporation for the preservation of a foreign resource property or property that would have been a foreign resource property if it had been acquired by the corporation after 1971.

Subsection 14. This amendment requires a deduction from the adjusted cost base of foreign resource property where there has been a recovery of part of the cost of such property.

SECTION 23.—Subsection 1. This amendment corrects a typographical error.

Subsection 2. The definition of "foreign exploration and development expenses" is expanded to include an annual payment made to preserve a foreign resource property.

Subsection 3. The definition of "proceeds of disposition" of property is amended to exclude therefrom any amount that is deemed by section 78*a* to be a dividend.

Subsection 4. The definition of "superficial loss" of a person is amended for the purpose of clarification.

Subsection 5. This amendment expands the exceptions contained in the definition of "superficial loss" so that certain types of capital losses will not be treated as superficial losses.

SECTION 24. Clause *f* of subsection 1 of section 58 of the Act, which requires a corporation to include in income amounts received as legal costs awarded by a court on an appeal, is amended to include legal costs awarded on an appeal in relation to a decision of the Unemployment Insurance Commission, a board of referees, or an umpire under the *Unemployment Insurance Act, 1971* (Canada).

(3) Clause *i* of the said section 56 is amended by striking out all that portion following subclause viii and inserting in lieu thereof the following: s. 56 (*i*), amended

but notwithstanding any other provision of this Part, does not include,

(ix) any amount that would otherwise be proceeds of disposition of a share to the extent that such amount is deemed by subsection 2 or 3 of section 78 to be a dividend, or

(x) any amount that would otherwise be proceeds of disposition of a debt owing to a corporation to the extent that such amount,

(A) is deemed by subsection 1 of section 78*a* to be a dividend received by the corporation, and

(B) is a taxable dividend; and

. . . . . .

(4) Subclause ii of clause *j* of the said section 56 is repealed and the following substituted therefor: s. 56 (*j*) (ii), re-enacted

(ii) at the end of the period referred to in subclause i, the person or the corporation controlled by him, as the case may be, owned in any manner whatever the substituted property,

. . . . . .

(5) Subclause iii of clause *j* of the said section 56 is amended by inserting after "section 50" in the first line "section 52 or subsection 1 of section 47". s. 56 (*j*) (iii), amended

24. Clause *f* of subsection 1 of section 58 of the said Act is repealed and the following substituted therefor: s. 58 (1) (*f*), re-enacted

(*f*) amounts received by the corporation in the fiscal year as legal costs awarded to it by a court on an appeal in relation to, Legal costs

(i) an assessment of tax, interest or penalties under this Act or the *Income Tax Act* (Canada), or 1970-71, c. 63 (Can.)

(ii) a decision of the Unemployment Insurance Commission, a board of referees or an umpire under the *Unemployment Insurance Act, 1971* (Canada),

1970-71-72, c. 48 (Can.)

if with respect to that assessment or decision, as the case may be, an amount has been deducted or may be deductible under clause *b* of subsection 1 of section 60 in computing its income.

s. 59 (1), amended

25.—(1) Subsection 1 of section 59 of the said Act is amended by striking out "in a fiscal year" in the first line and by striking out the five lines immediately preceding subsection 2 and inserting in lieu thereof "the corporation's proceeds of disposition therefrom shall be included in computing the corporation's income for the fiscal year, to the extent that the proceeds become receivable in that year".

s. 59 (3), re-enacted

(2) Subsection 3 of the said section 59 is repealed and the following substituted therefor:

Disposition of resource property acquired before 1972

(3) Where a corporation has made a disposition of property owned, or deemed to have been owned, by it on the 31st day of December, 1971 and thereafter without interruption until the date of disposition that is property described in any of subclauses i to vi of clause *c* of subsection 12 of section 63 and is not property described in clause *b* of subsection 1, the following rules apply,

(*a*) the relevant percentage of the corporation's proceeds of disposition therefrom shall be included in computing the corporation's income for the fiscal year to the extent that the proceeds become receivable; and

(*b*) where the corporation and the person who acquired the property were not dealing with each other at arm's length, for the purposes of this section and section 63,

(i) the cost to that person of the property shall be deemed to be the amount included in the corporation's income by virtue of clause *a* in respect of the disposition by the corporation of the property, and

(ii) when that person subsequently disposes of the property or any right or interest therein, that person shall be deemed to have owned

SECTION 25.—Subsection 1. Subsection 1 of section 59 of the Act is amended to require a corporation to include in income the selling price of a Canadian mining or oil right as it becomes receivable, rather than including (as previously) the entire selling price in the year of the sale. This amendment is required in order to adapt the section to "delay rental" arrangements, which are common in the oil industry and under which the full selling price is not known at the time of the sale.

Subsection 2. Subsection 3 of section 59 of the Act is amended to correct an anomaly which would have allowed a corporation to benefit more than once from the transitional rule by which only a portion of the selling price for a Canadian mining right owned at December 31, 1971 is included in income. Previously a corporation which owned such a right at December 31, 1971 could sell it, reacquire it and sell it again and obtain the special treatment for both sales; the amendment restricts the beneficial treatment to a corporation which has owned the property without interruption from December 31, 1971 until its sale.

Subsection 3. This amendment to subsection 4 of section 59 of the Act is complementary to the amendment to subsection 1 of section 59 of the Act.

Subsection 4. Subsection 5 of section 59 of the Act is re-enacted to provide definitions for certain expressions used in the other amendments to section 59 of the Act.

SECTION 26. Clause *b* of subsection 1 of section 60 of the Act, which permits a deduction from income in respect of expenses of certain appeals, is amended to allow the deduction of expenses of appeals in relation to a decision of the Unemployment Insurance Commission, a board of referees or an umpire under the *Unemployment Insurance Act, 1971* (Canada).

SECTION 27.—Subsection 1. Subsection 1 of section 61 of the Act is amended to make it clear that the reserve allowed under that section will not be permitted for amounts (from the sale of Canadian mining and oil rights) which have become due before the end of the fiscal year even though they may still be receivable.

Subsection 2. Complementary to the amendment in subsection 7 of section 28 of this Bill.

SECTION 28.—Subsection 1. This amendment to subsection 2 of section 63 of the Act will terminate effective May 7th, 1974 the special deduction of drilling costs of salt and potash corporations. This amendment is complementary to the amendment in subsection 12 of this section of this Bill by which such corporations will be treated as "principal business corporations".

Subsection 2. Clause *b* of subsection 3*a* of section 63 is amended to correct a typographical error.

the property on the 31st day of December, 1971 and thereafter without interruption until the disposition thereof.

(3) Subsection 4 of the said section 59 is amended by striking out "clauses *b* and *c* of subsection 3" in the first line and inserting in lieu thereof "this section" and by striking out "any amount receivable as consideration for the" in the second and third lines and inserting in lieu thereof "proceeds of". s. 59 (4), amended

(4) Subsection 5 of the said section 59 is repealed and the following substituted therefor: s. 59 (5), re-enacted

(5) In this section, "disposition" and "proceeds of disposition" have the meanings given to those expressions by section 56. "disposition" and "proceeds of disposition"

26. Clause *b* of subsection 1 of section 60 of the said Act is repealed and the following substituted therefor: s. 60 (1) (*b*), re-enacted

(*b*) amounts paid by the corporation in the fiscal year in respect of fees or expenses incurred in preparing, instituting or prosecuting an objection to, or an appeal in relation to, Expenses of objection or appeal

(i) an assessment of tax, interest or penalties under this Act or the *Income Tax Act* (Canada), or 1970-71, c. 63 (Can.)

(ii) a decision of the Unemployment Insurance Commission, a board of referees or an umpire under the *Unemployment Insurance Act, 1971* (Canada). 1970-71-72, c. 48 (Can.)

27.—(1) Subsection 1 of section 61 of the said Act is amended by striking out "receivable" in the thirteenth line and in the fifteenth line and inserting in lieu thereof in each instance "due". s. 61 (1), amended

(2) Clause *a* of subsection 1 of the said section 61 is amended by inserting after "59" in the first line "or clause *a* of subsection 10*b* of section 63". s. 61 (1) (*a*), amended

28.—(1) Subsection 2 of section 63 of the said Act is amended by inserting after "year" in the ninth line "and before the 7th day of May, 1974". s. 63 (2), amended

(2) Clause *b* of subsection 3*a* of the said section 63, as enacted by the Statutes of Ontario, 1974, chapter 75, s. 63 (3*a*) (*b*), amended

section 5, is amended by striking out "section" in the fourth line and inserting in lieu thereof "subsection".

s. 63 (3*a*) (*b*) (ii), amended

(3) Subclause ii of clause *b* of subsection 3*a* of the said section 63 is amended by striking out "section 100" in the second line and inserting in lieu thereof "sections 100 and 100*a*".

s. 63 (5), amended

(4) Subsection 5 of the said section 63 is amended by striking out "acquired from another principal-business corporation" in the third and fourth lines and inserting in lieu thereof "acquired, by purchase or otherwise, including an acquisition as the result of an amalgamation described in subsection 1 of section 81, from another principal-business corporation".

s. 63 (6), amended

(5) Subsection 6 of the said section 63 is amended by striking out "acquired from a corporation" in the third line and inserting in lieu thereof "acquired by purchase or otherwise, including an acquisition as a result of an amalgamation described in subsection 1 of section 81, from another corporation".

s. 63 (10), re-enacted

(6) Subsection 10 of the said section 63, as amended by the Statutes of Ontario 1974, chapter 75, section 5, is repealed and the following substituted therefor:

Limitation

(10) Except as otherwise provided in this section, where a corporation has incurred an outlay or expense in respect of which a deduction from income is authorized under more than one provision of this section, the corporation is not entitled to make the deduction under more than one provision but is entitled to select the provision under which to make the deduction.

s. 63, amended

(7) The said section 63, as amended by the Statutes of Ontario, 1973, chapter 157, section 17, and 1974, chapter 75, section 5, is further amended by adding thereto the following subsection:

Unitized oil or gas field in Canada

(10*b*) Where, pursuant to an agreement between a corporation and another person to unitize an oil or gas field in Canada, an amount has become receivable by the corporation at a particular time after the 6th day of May, 1974 from that other person in respect of Canadian exploration and development expenses incurred by the corporation, or expenses that would have been Canadian exploration and development expenses if they had been incurred by it after 1971, in respect of that field or any part thereof, the following rules apply,

Subsection 3. Complementary to the enactment of section 100*a* of the Act by section 54 of this Bill. The reference here to section 100*a* of the Act will mean that dividends from foreign affiliates must be deducted in determining the amount of income from which Ontario exploration and development expenses may be deducted.

Subsection 4. Subsection 5 of section 63 is amended to allow a mining or oil corporation which was formed by the amalgamation of similar corporations to carry forward and deduct the Canadian exploration and development expenses acquired from its predecessor corporations.

Subsection 5. Subsection 6 of section 63 is amended to allow Canadian exploration and development expenses to be carried forward through a second amalgamation and to be deducted by the corporation acquiring those expenses as a result of the second amalgamation.

Subsection 6. Subsection 10 of section 63 is amended for the purpose of clarification. This amendment adds a reference to "an outlay" because some items included in Canadian exploration and development expenses are of a capital nature.

Subsection 7. Subsection 10*b* is added to section 63 of the Act to require a corporation to include in income amounts receivable for Canadian exploration and development expenses under an agreement to unitize a Canadian oil or gas field, and to allow the deduction, as a drilling or exploration expense, any amounts payable for such expenses by a corporation under such an agreement.

Subsection 8. Subclause i of clause *a* of subsection 12 of section 63 is amended to correct an erroneous reference.

Subsection 9. This provision amends the definition of "Canadian exploration and development expenses" to include therein an annual payment for the preservation of Canadian resource properties. Subclause *va* is added to clause *b* of subsection 12 of section 63 to include in "exploration and development expense" annual payments for the preservation of Canadian resource property, including Canadian oil or gas properties.

Subsection 10. Subclause vi of clause *c* of subsection 12 of section 63 of the Act is amended to exclude from the definition of "Canadian resource property" those mining, oil or gas rights that are property of a trust, and to include in that definition a right to receive the proceeds from the sale of mining, oil or gas rights.

Subsection 11. The definition of "drilling or exploration expense" is amended by deleting the reference to the annual payments for the preservation of Canadian oil or gas properties. This amendment is complementary to the amendment in subsection 9 of this section of this Bill.

(*a*) there shall, at that time, be included in computing the corporation's income for the fiscal year the amount that became receivable by it; and

(*b*) there shall, at that time, be included by the other person, where that person is a corporation, in its drilling or exploration expense the amount that became payable by that corporation.

s. 63 (12) (*a*) (i), amended

(8) Subclause i of clause *a* of subsection 12 of the said section 63 is amended by striking out "iii" in the first line and inserting in lieu thereof "ii".

s. 63 (12) (*b*), amended

(9) Clause *b* of subsection 12 of the said section 63, as amended by the Statutes of Ontario, 1973, chapter 157, section 17, is further amended by striking out "and" at the end of subclause iv, by inserting "and" at the end of subclause v and by adding thereto the following subclause:

(v*a*) any annual payment made by the corporation for the preservation of a Canadian resource property or property that would have been a Canadian resource property if it had been acquired by the corporation after 1971,

. . . . .

s. 63 (12) (*c*) (vi), re-enacted

(10) Subclause vi of clause *c* of subsection 12 of the said section 63 is repealed and the following substituted therefor:

(vi) any right to or interest in any property, other than property of a trust, described in any of subclauses i to v, including a right to receive proceeds of disposition in respect of a disposition thereof.

s. 63 (12) (*d*), re-enacted

(11) Clause *d* of subsection 12 of the said section 63 is repealed and the following substituted therefor:

(*d*) "drilling or exploration expense" incurred on or in respect of exploring or drilling for petroleum or natural gas includes any expense incurred on or in respect of,

(i) drilling or converting a well for the disposal of waste liquids from a petroleum or natural gas well,

(ii) drilling for water or gas for injection into a petroleum or natural gas formation, or

(iii) drilling or converting a well for the injection of water or gas to assist in the recovery of petroleum or natural gas from another well.

s. 63 (12) (*f*), amended

(12) Clause *f* of subsection 12 of the said section 63 is amended by striking out "or" at the end of subclause v, by striking out "and" at the end of subclause vi and inserting in lieu thereof "or" and by adding thereto the following subclause:

(vii) production or marketing of sodium chloride or potash, or whose business includes manufacturing products the manufacturing of which involves processing sodium chloride or potash; and

. . . . .

s. 66 (5), re-enacted

29. Subsection 5 of section 66 of the said Act is repealed and the following substituted therefor:

Idem

(5) Where in a fiscal year of a corporation property of the corporation has been appropriated in any manner whatever to, or for the benefit of, a shareholder, on the winding up of the corporation, the following rules apply,

(*a*) for the purpose of computing the corporation's income for the fiscal year,

(i) it shall be deemed to have sold each such property immediately before the winding up and to have received therefor the fair market value thereof at that time, and

(ii) clause *c* of subsection 2 of section 42 shall not apply in computing the loss, if any, from the sale of any such property;

(*b*) the shareholder shall be deemed to have acquired the property at a cost equal to its fair market value immediately before the winding up; and

(*c*) subsections 1, 1*a* and 2 of section 54 are not applicable for the purposes of determining the cost to the shareholder of the property.

Idem

(6) Where a corporation that operates an oil or gas well or a mineral resource in Canada disposes of any petroleum, natural gas or related hydrocarbons or metal or industrial minerals produced in the operation of such well or resource to,

(*a*) Her Majesty in right of Canada or a province;

Subsection 12. The definition of "principal business corporation" is amended to include corporations which produce, process or market salt or potash.

SECTION 29. Subsection 5 of section 66 of the Act is re-enacted to permit a corporation which is winding up to claim a loss based on fair market value when it distributes property to a shareholder; subsections 6 and 7 are added to the said section 66 to require that mining, oil or gas corporations use fair market values in calculating their income from the sale of minerals, oil or gas to the Crown or its agent, and in calculating their cost of minerals, oil or gas acquired from the Crown or its agent, in cases where the sale price is less than the fair market value or where the agreed cost of acquisition is greater than the fair market value; subsections 8, 9 and 10 are added to the said section 66 to clarify the meaning of certain expressions used in these amendments.

(*b*) an agent of Her Majesty in right of Canada or a province; or

(*c*) a corporation, commission or association that is controlled, directly or indirectly in any manner whatever, by Her Majesty in right of Canada or a province or by an agent of Her Majesty in right of Canada or a province,

for no proceeds of disposition or for proceeds of disposition less than the fair market value thereof at the time the corporation so disposes of it, the corporation shall be deemed to have received proceeds of disposition therefor equal to that fair market value determined, in circumstances where the corporation is required by a law or contract to so dispose thereof, without regard to that law or contract.

Idem

(7) Where a corporation that operates an oil or gas well or a mineral resource in Canada acquires any petroleum, natural gas or related hydrocarbons or metal or industrial minerals produced in the operation of such well or resource from,

(*a*) Her Majesty in right of Canada or a province;

(*b*) an agent of Her Majesty in right of Canada or a province; or

(*c*) a corporation, commission or association that is controlled, directly or indirectly in any manner whatever, by Her Majesty in right of Canada or a province or by an agent of Her Majesty in right of Canada or a province,

for an amount in excess of the fair market value thereof at the time the corporation so acquired the petroleum, natural gas or related hydrocarbons or metal or industrial minerals, the corporation shall be deemed to have acquired the petroleum, natural gas or related hydrocarbons or metal or industrial minerals at that fair market value determined, in circumstances where the corporation is required by a law or contract to so acquire the petroleum, natural gas or related hydrocarbons or metal or industrial minerals, without regard to that law or contract.

Fair market value of resource output disposed of to Crown

(8) For the purposes of subsection 6, the fair market value at the time of disposition of a unit of any particular quantity of petroleum, natural gas or related hydrocarbons or metal or industrial minerals disposed of by the corporation referred to in that subsection to a person referred to in any of clauses *a* to *c* of that subsection shall be deemed to be the amount by which,

(*a*) the average proceeds of disposition that became receivable in the month that included that time by that person for the disposition of a like unit from a person other than a person referred to in any of clauses *a* to *c* of subsection 6,

exceeds

(*b*) the average aggregate of all expenses, including depreciation, incurred by that person in respect of that month for each such unit that may reasonably be attributed to transmitting, transporting, marketing or processing thereof to the extent that such expenses are reasonable and necessary and do not include any cost of acquisition thereof.

Fair market value of resource output acquired from Crown

(9) For the purposes of subsection 7, the fair market value of a unit of any particular quantity of petroleum, natural gas or related hydrocarbons or metal or industrial minerals acquired by the corporation referred to in that subsection from a person referred to in any of clauses *a* to *c* of that subsection shall be deemed to be equal to the amount, if any, paid or payable by the corporation to that person in respect of that unit.

Certain persons deemed to be the same person

(10) For the purposes of subsection 8, where a person referred to in any of clauses *a* to *c* of subsection 6 disposes of a unit of any particular quantity of petroleum, natural gas or related hydrocarbons or metal or industrial minerals to another person referred to in any of those clauses, those persons shall be deemed to be the same person.

s. 67 (4), re-enacted

30.—(1) Subsection 4 of section 67 of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 157, section 18, is repealed and the following substituted therefor:

Debt deemed not to be income debt R.S.C. 1970, c. G-16

(4) Where a cash purchase ticket or other form of settlement prescribed pursuant to the *Canada Grain Act* or by the Minister is issued to a corporation in respect of grain delivered in a fiscal year of a corporation to a primary elevator or process elevator and such ticket or other form of settlement entitles the holder thereof to payment by the operator of the elevator of the purchase price, without interest, stated in the ticket for the grain at a date that is after the end of that fiscal year, the amount of the purchase price stated in the ticket or other form of settlement shall, notwithstanding any other provision of this section, be included in computing the income of the corporation to which the ticket or other form of settlement was issued for its fiscal year immediately

SECTION 30.—Subsection 1. The provision which defers for one year the inclusion in income of receipts issued for grain delivered to storage elevators is extended to include receipts for grain delivered to processing elevators.

Subsection 2. Complementary to subsection 1.

SECTION 31. Clause *a* of section 68 is amended to extend the present provision, which permits the deferral of a gain or loss on a bond conversion, to those bonds which did not have the conversion privilege at the time they were issued.

SECTION 32. Section 74*a* of the Act is amended by removing therefrom the exception relating to foreign affiliates—paragraphs *c* and *d* of subsection 4 of section 80.1 of the *Income Tax Act* (Canada) will now be applicable and a corporation will now be able to deduct from income certain dividends received in kind from a foreign affiliate and reduce the cost of shares in the foreign affiliate by the same amount. This amendment is complementary to the other amendments in this Bill relating to foreign accrual property income.

SECTION 33. This amendment is complementary to the amendments in subsection 2 of section 4 and subsection 1 of section 7 of this Bill. The new section 74*b* of the Act, enacted by this section of the Bill, makes it clear that where a mining, oil or gas corporation leases the lands from the owner thereof and reimburses the owner for the amounts referred to in the amendments in subsection 2 of section 4 and subsection 1 of section 7 of this Bill, the said amendments shall apply to the reimbursements paid by the corporation and not to the amount (the extent reimbursed) paid by the owner.

following the fiscal year in which the grain was delivered and not for the fiscal year in which the grain was delivered.

(2) Subsection 5 of the said section 67, as enacted by the Statutes of Ontario, 1973, chapter 157, section 18, is amended by striking out "and 'primary elevator'" in the second line and inserting in lieu thereof " 'primary elevator' and 'process elevator' ". s. 67 (5), amended

31. Clause *a* of section 68 of the said Act is repealed and the following substituted therefor: s. 68 (*a*), re-enacted

(*a*) the terms of the bond for which it was exchanged conferred upon the holder thereof the right to make the exchange; and

. . . . .

32. Section 74*a* of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 157, section 20, is amended by striking out "except paragraphs *c* and *d* of subsection 4 thereof" in the eleventh line. s. 74*a*, amended

33. The said Act is further amended by adding thereto the following section: s. 74*b*, enacted

74*b*. Where pursuant to a contract between a corporation and another person, in this section referred to as the "payee", any amount is paid or payable by the corporation or any property is transferred by the corporation to the payee as reimbursement in respect of any amount paid or payable referred to in clause *n* of subsection 1 of section 22 or the fair market value of any property paid or payable referred to in that clause by the payee to any of the persons referred to in any of subclauses i to iii of clause *n* of subsection 1 of section 22, for the purposes of this Act the following rules apply, Reimbursement by corporation for payment to Crown deemed paid direct to Crown

(*a*) the corporation shall be deemed to have paid the amount or property, as the case may be, to a person or persons referred to in any of those subclauses;

(*b*) the payee shall, to the extent of that reimbursement, be deemed not to have paid an amount or property, as the case may be;

(*c*) the payee shall be deemed not to have received any reimbursement from the corporation; and

(*d*) clause *o* of subsection 1 of section 16 shall not apply in respect of the amount or property paid or payable, as the case may be.

s. 75 (1) (*c*), amended

34.—(1) Clause *c* of subsection 1 of section 75 of the said Act is amended by striking out "by it" in the second line.

s. 75 (2) (*b*), amended

(2) Clause *b* of subsection 2 of the said section 75 is amended by adding thereto the following subclause:

(iii) "income derived from the operation of a mine" includes the income of a corporation from the processing, to the primary metal stage or its equivalent, of ore from a mineral resource owned by the corporation.

s. 78 (7), amended

35. Subsection 7 of section 78 of the said Act is amended by inserting after "section" in the first line "or section 78*a*".

s. 78*a*, enacted

36. The said Act is further amended by adding thereto the following section:

Deemed dividend on repayment of debt

78*a*.—(1) Where, at any time before a particular time and after the 18th day of November, 1974, a corporation incurred any debt as consideration for the purchase of shares of the capital stock of a second corporation and,

(*a*) at any time before the debt was incurred, any particular person, or the group of persons to whom the debt was owed at the time it was incurred,

(i) controlled the second corporation, directly or indirectly in any manner whatever, or

(ii) beneficially owned shares of the capital stock of the second corporation representing more than 50 per cent of its paid-up capital; and

(*b*) at any time before the particular time, the particular person or group of persons referred to in clause *a*,

(i) controlled the corporation, directly or indirectly in any manner whatever,

(ii) beneficially owned shares of the capital stock of the corporation representing more than 50 per cent of its paid-up capital, or

(iii) held an amount of debt payable by the corporation that exceeded the paid-up capital of the corporation, at a time when shares of the capital stock of the corporation representing more than 50 per cent of its paid-up capital were beneficially owned by,

SECTION 34.—Subsection 1. Clause *c* of subsection 1 of section 75 of the Act is amended to extend the present exemption of Canadian income earned by foreign operators of ships and aircraft engaged in international traffic to those foreign corporations which own but do not operate such ships and aircraft.

Subsection 2. This amendment will make it clear that the income from a new mine, the exemption for which was terminated as of December 31st, 1973, includes income from the processing of ore to the primary metal stage.

SECTION 35. Subsection 7 of section 78, which provides the rule to determine when a deemed dividend is deemed to have become payable, is amended to apply to the deemed dividend referred to in section 78*a* as enacted by section 36 of this Bill.

SECTION 36. A new section 78*a* of the Act is enacted to treat as a deemed dividend an excessive amount repaid by a corporation on a debt which was originally incurred to purchase the over-valued shares of another corporation if the creditor controls both corporations.

(A) that particular person,

(B) that group of persons,

(C) persons related to the particular person or any member of the group of persons, or

(D) any combination of persons referred to in sub-subclause A, B or C,

the following rules apply,

(*c*) where the corporation has, at the particular time, made any payment on account of that debt, or any other debt substituted for that debt,

(i) a dividend shall be deemed to have been paid by the corporation at the particular time equal to the lesser of,

(A) the amount of that payment, and

(B) the amount, if any, by which,

1. the aggregate of the payment referred to in sub-subclause A and all payments made before the particular time on account of that debt, or any other debt substituted therefor,

exceeds

2. the debt limit of the corporation in respect of that debt,

(ii) a dividend shall be deemed to have been received at the particular time, by each person who received any portion of that payment, equal to that proportion of the dividend so deemed to have been paid by the corporation at that time that the portion of that payment received by that person is of the amount of that payment, and

(iii) section 77, except clause *c* of subsection 1 of section 77, shall be applicable to the dividend referred to in subclause i as though the persons referred to in subclause ii were shareholders of a class of shares of the capital stock of the corporation; and

(*d*) where any portion of that debt or any debt substituted for that debt, is converted into shares of the capital stock of the corporation, an amount equal to the lesser of,

(i) the portion of that debt, or any debt substituted for that debt, that was so converted, and

(ii) the amount, if any, by which,

(A) the amount of the debt owed by the corporation at the time it was incurred,

exceeds

(B) the debt limit of the corporation in respect of that debt,

shall be added to the aggregate of the amounts determined under subclause iv*a* of clause *d* of subsection 1 of section 83 at any time after the time of the conversion.

Debt limit defined

(2) For the purposes of this section, the "debt limit" of a corporation in respect of any debt incurred by it as consideration for the purchase of shares of the capital stock of a second corporation shall be the amount, if any, by which,

(*a*) the amount of the debt owed by the corporation at the time it was incurred,

exceeds

(*b*) the amount if any, by which the aggregate of,

(i) the amount of the debt owed by the corporation at the time it was incurred, and

(ii) the fair market value, at the time the debt was incurred, of any other consideration, other than shares of the capital stock of the corporation, given by the corporation for the purchase of the shares of the capital stock of the second corporation,

exceeds the lesser of,

(iii) the paid-up capital limit of the second corporation at the time the debt was incurred, and

SECTION 37. A new section 78*b* of the Act is enacted to allow a corporation an alternative method of valuing shares or debt issued before November 19, 1974, provided the corporation notifies the Minister of its intention before July, 1976.

SECTION 38.—Subsection 1. Subsection 1 of section 79 of the Act, relating to transfers of property to a controlled corporation, is amended to extend the eligibility for deferral of realization of capital gains or losses to cases where the transferor receives shares or other consideration (the requirement that the transferor own 80 per cent of the shares is removed) and to restate the property to which the deferral will apply, so that it will apply to inventory and to Canadian mining, gas or oil properties acquired before 1972, but will not apply to real estate and options thereon owned by non-residents.

(iv) the paid-up capital, at the time the debt was incurred, of the shares of the capital stock of the second corporation so purchased.

37. The said Act is further amended by adding thereto the following section: s. 78*b*, enacted

Special rules relating to shares issued or debt incurred before November 19, 1974

78*b*. Where a corporation has at any particular time before July, 1976, notified the Minister in writing that it wishes,

(*a*) to have subclause iv*a* of clause *d* of subsection 1 of section 83 apply to all shares, if any, issued by it before the 19th day of November, 1974; and

(*b*) to have section 78*a* apply to all debt, if any, incurred by it before the 19th day of November, 1974,

the following rules apply,

(*c*) subsection 6 of section 83 shall not apply for the purposes of computing the paid-up capital deficiency of the corporation at any time after the particular time;

(*d*) section 78*a* shall be read without reference to "and after the 18th day of November, 1974";

(*e*) the amount of any dividend that the corporation would, by virtue of clause *c* of subsection 1 of section 78*a*, be deemed to have paid in respect of payments, before the particular time, of or on account of any debt incurred by the corporation prior to the 19th day of November, 1974, or any debt substituted for that debt, shall be deemed to be nil;

(*f*) subclause iii of clause *b* of subsection 2 of section 78*a* shall be read as "the paid-up capital limit of the second corporation at the time the debt was incurred or on the 18th day of November, 1974, where that day is later"; and

(*g*) subclause iv of clause *b* of subsection 2 of section 78*a* shall be read as "the paid-up capital, at the time the debt was incurred, of the shares of the second corporation so purchased" (on the assumption that clause *c* of subsection 1 of section 83 applied at that time).

38.—(1) Subsection 1 of section 79 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 157, section 21, s. 79 (1), amended

is further amended by striking out all that portion thereof immediately preceding clause *a* and inserting in lieu thereof the following:

(1) Where a person has, after the 6th day of May, 1974, disposed of any property that was a capital property (other than real property or an option in respect thereof owned by a non-resident person), an eligible capital property, an inventory other than real property or a property referred to in subsection 2 of section 59 of the person to a Canadian corporation for consideration including shares of the capital stock of the corporation, if the person and the corporation, have jointly so elected in prescribed form and within the prescribed time, the following rules apply:

. . . . .

s. 79 (1), amended

(2) Subsection 1 of the said section 79 is further amended by adding thereto the following clause:

(*ca*) where the property was inventory or capital property (other than depreciable property of a prescribed class) of the person and the amount that the person and the corporation have agreed upon in their election in respect of the property is less than the lesser of,

(i) the fair market value of the property at the time of the disposition, and

(ii) the cost amount to the person of the property at the time of the disposition,

the amount so agreed upon shall, irrespective of the amount actually so agreed upon by them, be deemed to be an amount equal to the lesser of the amounts described in subclauses i and ii.

s. 79 (1) (*d*), amended

(3) Clause *d* of subsection 1 of the said section 79 is amended by striking out "and notwithstanding clauses *b* and *c*" in the fourteenth line.

s. 79 (1) (*e*), amended

(4) Clause *e* of subsection 1 of the said section 79 is amended by striking out "and notwithstanding clauses *b* and *c*" in the fourteenth line.

s. 79 (1), amended

(5) Subsection 1 of the said section 79 is further amended by adding thereto the following clauses:

(*ea*) where two or more properties, each of which is a property described in clause *d* or each of which is a property described in clause *e*, are disposed of at

Subsection 2. Clause *ca* added to subsection 1 of section 79 of the Act to provide the rule for determining the value at which certain capital property and inventory are transferred to a corporation, where the value agreed between the transferor and the corporation is less than both the cost and fair market value.

Subsections 3 and 4. Complementary to subsection 1, clauses *b* and *c* will now apply to the transfers of goodwill and depreciable property if these assets are transferred for consideration other than shares.

Subsection 5. The new clauses added by this amendment provide new rates to determine the value of property transferred to a corporation by its shareholders in certain cases.

the same time, clause *d* or *e*, as the case may be, applies as if each property so disposed of had been separately disposed of in the order designated by the person before the time prescribed for the filing of an election in respect of those properties or, if the person does not so designate any such order, in the order designated by the Minister;

(*eb*) where the fair market value of the property at the time of the disposition exceeds the greater of,

(i) the fair market value at the time of the disposition of the consideration received by the person for the property disposed of by him, and

(ii) the amount that the person and the corporation have agreed upon in their election in respect of the property, determined without reference to this clause,

and it is reasonable to regard any portion of such excess as a gift made by the person to or for the benefit of any other shareholder of the corporation, the amount that the person and the corporation have agreed upon in their election in respect of the property shall, irrespective of the amount actually so agreed upon by them, be deemed (except for the purposes of clauses *g* and *h*) to be an amount equal to the aggregate of,

(iii) the amount referred to in subclause ii, and

(iv) the portion of such excess that may reasonably be regarded as a gift made by the person to or for the benefit of any other shareholder of the corporation;

(*ec*) where, under any of clauses *ca*, *d* and *e*, the amount that the person and the corporation have agreed upon in their election in respect of the property, in this clause referred to as "the elected amount", would, subject to clause *c*, be deemed to be an amount that is greater or less than the amount that would be deemed to be the elected amount under clause *b*, the elected amount shall be deemed to be the greater of,

(i) the amount deemed by clause *ca*, *d* or *e*, as the case may be, to be the elected amount, and

(ii) the amount deemed by clause *b* to be the elected amount.

s. 79 (1) (*i*), re-enacted

(6) Clause *i* of subsection 1 of the said section 79 is repealed and the following substituted therefor:

(*i*) where the property so disposed of is taxable Canadian property of the person, all of the shares of the capital stock of the Canadian corporation received by him as consideration therefor shall be deemed to be taxable Canadian property of the person.

s. 79 (2), re-enacted

(7) Subsection 2 of the said section 79, as amended by the Statutes of Ontario, 1973, chapter 157, section 21, is repealed and the following substituted therefor:

Transfer of property to corporation from partnership

(2) Where, after the 6th day of May, 1974,

(*a*) a partnership has disposed of any partnership property that was a capital property (other than real property or an interest therein owned by a partnership that was not a Canadian partnership at the time of the disposition), an eligible capital property, an inventory other than real property or a property referred to in subsection 2 of section 59 of the partnership to a Canadian corporation for consideration, including shares of the capital stock of the corporation; and

(*b*) the corporation and all the members of the partnership have jointly so elected in prescribed form and in prescribed time,

clauses *a* to *i* of subsection 1 and subsection 1*a* are applicable in respect of the disposition *mutatis mutandis* as if the partnership were a person resident in Canada who had disposed of the property to the corporation.

s. 79 (2*a*), repealed

(8) Subsection 2*a* of the said section 79, as enacted by the Statutes of Ontario, 1973, chapter 157, section 21, is repealed.

s. 79 (4), re-enacted

(9) Subsection 4 of the said section 79 is repealed and the following substituted therefor:

Where loss from disposition of property to controlled corporation

(4) Where a person or a partnership has, after May 6, 1974, disposed of any capital property or eligible capital property of the person or partnership to a corporation that, immediately after the disposition, was controlled, directly or indirectly in any manner whatever, by the person or partner-

Subsection 6. This amendment in effect provides a deferral of the realization of a capital gain on the transfer of taxable Canadian property to a corporation by a non-resident person in consideration for shares of the corporation.

Subsection 7. Subsection 2 of section 79 of the Act is re-enacted to provide that the rules provided in subsection 1 of the said section 79, as amended by this Bill, and section 1*a* of the said section 79, with respect to transfers from individuals to corporations, shall apply to transfers of assets from partnerships to corporations.

Subsection 8. Complementary to subsection 7.

Subsection 9. Subsection 4 of section 79 of the Act is re-enacted to state in greater detail the rules by which a controlling shareholder will not be allowed to realize any capital losses on the transfer of his business assets to the corporation but is required instead to increase the cost of his shares of the corporation. The amendment retains the existing rules and adds specific rules for the treatment of terminal losses of goodwill on the transfer.

ship, or where the person is an individual by the spouse of such person, or by another person or group of persons by whom the person or partnership was controlled, directly or indirectly in any manner whatever and, but for this subsection, subsection 2 of section 28 and clauses *c* and *e* of subsection 2 of section 42, the person or partnership would have had a capital loss therefrom or a deduction pursuant to clause *a* of subsection 1 of section 28 in computing the income of the person or partnership for the fiscal year in which the person or partnership ceased to carry on a business, as the case may be, the following rules apply,

(*a*) notwithstanding section 28 and clauses *c* and *e* of subsection 2 of section 42, the capital loss therefrom of the person or partnership, or the deduction pursuant to clause *a* of subsection 1 of section 28 in computing the income of the person or partnership for the fiscal year in which the person or partnership ceased to carry on the business, as the case may be, otherwise determined shall be deemed to be nil; and

(*b*) in computing the adjusted cost base to the person or partnership of all shares of any particular class of the capital stock of the corporation owned by the person or partnership immediately after the disposition, there shall be added, in the case of capital property, the amount that is equal to, and in the case of eligible capital property, twice the amount that is equal to, that proportion of the amount, if any, by which,

(i) the cost amount to the person or partnership immediately before the disposition, of the property so disposed of,

exceeds

(ii) the proceeds to the person or partnership of disposition of the property or where the property was an eligible capital property, the eligible capital amount for the person or partnership, within the meaning assigned by section 18, as a result of the disposition of that property,

that

(iii) the fair market value, immediately after the disposition, of all shares of that class so owned by the person or partnership,

is of

(iv) the fair market value, immediately after the disposition, of all shares of the capital stock of the corporation so owned by the person or partnership.

s. 79*a*, enacted

39. The said Act is further amended by adding thereto the following section:

Share for share exchange

79*a*.—(1) Where shares of any particular class of the capital stock of a Canadian corporation, in this section referred to as the "purchaser", have, after the 6th day of May, 1974, been acquired by a person, in this section referred to as the "vendor", from the purchaser in exchange for capital property of the vendor that is shares of any particular class of the capital stock, in this section referred to as the "exchanged shares", of another corporation, in this section referred to as the "acquired corporation", subject to subsection 2, the following rules apply,

(*a*) except where the vendor has, in his return of income for the fiscal year in which the exchange occurred, included in computing his income for that year any portion of the gain or loss, otherwise determined, from the disposition of the exchanged shares, the vendor shall be deemed,

(i) to have disposed of the exchanged shares for proceeds of disposition equal to the adjusted cost base to him of those shares immediately before the exchange, and

(ii) to have acquired the shares of the purchaser at a cost to him equal to the adjusted cost base to him of the exchanged shares immediately before the exchange,

and where the exchanged shares were taxable Canadian property of the vendor, the shares of the purchaser so acquired by him shall be deemed to be taxable Canadian property of the vendor; and

(*b*) the cost to the purchaser of each exchanged share, at any particular time up to and including the time he disposed of such share, shall be deemed to be,

(i) its fair market value immediately before the exchange if, at the particular time or at any earlier time after the exchange, the purchaser owned shares of the capital stock of the acquired corporation,

SECTION 39. This amendment adds a new section 79*a* to the Act to permit a deferral in the realization of gains or losses in certain situations where a person exchanges shares of one corporation for shares of a Canadian corporation. In addition, certain provisions of the *Income Tax Act* (Canada) are made applicable with respect to certain dispositions of the shares of a foreign affiliate.

(A) to which are attached not less than 10 per cent of all the votes that could then be cast for any and all purposes by holders of all shares of the capital stock of the acquired corporation, and

(B) that represent not less than 10 per cent of the fair market value of all issued and outstanding shares of the capital stock of the acquired corporation, and

(ii) in any other case, nil.

Where subs. 1 not to apply

(2) Subsection 1 does not apply where,

(*a*) the vendor and purchaser were, immediately before the exchange, not dealing with each other at arm's length;

(*b*) the vendor or persons with whom he did not deal at arm's length, or the vendor together with persons with whom he did not deal at arm's length,

(i) controlled, directly or indirectly in any manner whatever, the purchaser, or

(ii) beneficially owned shares of the capital stock of the purchaser representing more than 50 per cent of its paid-up capital,

immediately after the exchange;

(*c*) the vendor and the purchaser have filed an election under subsection 1 or 2 of section 79 with respect to the exchanged shares; or

(*d*) consideration other than shares of the particular class of the capital stock of the purchaser was received by the vendor for the exchanged shares, notwithstanding that the vendor may have disposed of shares of the capital stock of the acquired corporation, other than the exchanged shares, to the purchaser for consideration other than shares of one class of the capital stock of the purchaser.

Disposition of shares of foreign affiliate

(3) Where a person has disposed of capital property that was shares of the capital stock of a foreign affiliate of the person to any corporation that was, immediately following the disposition, a foreign affiliate of the person (in this sub-

section referred to as the "acquiring affiliate") for consideration including shares of the capital stock of the acquiring affiliate, the provisions of subsection 3 of section 85.1 of the *Income Tax Act* (Canada) apply for the purposes of this Act.

1970-71, c. 63 (Can.)

s. 80, re-enacted

40. Section 80 of the said Act is repealed and the following substituted therefor:

Exchanges of shares by a shareholder in course of reorganization of capital

80.—(1) Where, at a particular time after the 6th day of May, 1974, in the course of a reorganization of the capital of a corporation, a person has disposed of capital property that was all the shares of any particular class of the capital stock of the corporation that were owned by him at the particular time, in this section referred to as the "old shares", and property is receivable from the corporation therefor that includes other shares of the capital stock of the corporation, in this section referred to as the "new shares", the following rules apply,

(*a*) the cost to the person of any property (other than shares of the capital stock of the corporation) receivable by him for the old shares shall be deemed to be its fair market value at the time of the disposition;

(*b*) the cost to the person of any new shares of any class of the capital stock of the corporation receivable by him for the old shares shall be deemed to be that proportion of the amount, if any, by which the aggregate of the adjusted cost bases to him, immediately before the disposition, of the old shares exceeds the fair market value at that time of the consideration receivable therefor (other than shares of the capital stock of the corporation) that,

(i) the fair market value, immediately after the disposition, of those new shares of that class,

is of,

(ii) the fair market value, immediately after the disposition, of all new shares of the capital stock of the corporation receivable by him for the old shares; and

(*c*) the person shall be deemed to have disposed of the old shares for proceeds of disposition equal to the cost to him of all new shares and other property receivable by him for the old shares.

SECTION 40. The existing provisions with respect to exchanges of shares by a shareholder in the course of a corporation's reorganization of its capital structure are amended to make it easier for a corporation to reorganize its capital structure without tax consequences to its shareholders and to simplify the calculations of the cost of shares.

SECTION 41.—Subsection 1. This amendment allows a deferral of taxes on an amalgamation of corporations even though certain assets and liabilities (including inter-company accounts receivable and payable all of which are normally eliminated on an amalgamation) are not transferred. Previously, all assets had to be transferred.

Subsection 2. This amendment allows a new corporation formed as a result of an amalgamation to adopt in calculating its business or investment income the method used by its predecessor corporations in calculating their business or investment income.

(2) This section is not applicable in any case where section 53 or any of subsections 1 to 3 of section 79 are applicable. Application

41.—(1) Clauses *a*, *b* and *c* of subsection 1 of section 81 of the said Act are repealed and the following substituted therefor: s. 81 (1) (*a-c*), re-enacted

(*a*) all of the property (except amounts receivable from any predecessor corporation or shares of the capital stock of any predecessor corporation) of the predecessor corporations immediately before the merger becomes property of the new corporation by virtue of the merger;

(*b*) all of the liabilities (except amounts payable to any predecessor corporation) of the predecessor corporations immediately before the merger become liabilities of the new corporation by virtue of the merger; and

(*c*) all of the shareholders (except any predecessor corporation) of the predecessor corporations immediately before the merger receive shares of the capital stock of the new corporation by virtue of the merger,

. . . . . .

(2) Clause *c* of subsection 2 of the said section 81 is repealed and the following substituted therefor: s. 81 (2) (*c*), re-enacted

(*c*) in computing the income of the new corporation for a fiscal year from a business or property, Method adopted for computing income

(i) there shall be included any amount received or receivable (depending upon the method followed by the new corporation in computing its income for that year) by it in that year that would, if it had been received or receivable (depending upon the method followed by the predecessor corporation in computing its income for its last fiscal year) by the predecessor corporation in its last fiscal year, have been included in computing the income of the predecessor corporation for that year, and

(ii) there may be deducted any amount paid or payable (depending upon the method followed by the new corporation in computing

its income for that year) by it in that year that would, if it had been paid or payable (depending upon the method followed by the predecessor corporation in computing its income for its last fiscal year) by the predecessor corporation in its last fiscal year, have been deductible in computing the income of the predecessor corporation for that year.

s. 81 (2), amended

(3) Subsection 2 of the said section 81, as amended by the Statutes of Ontario, 1973, chapter 157, section 22, is further amended by adding thereto the following clause:

Depreciable property acquired from predecessor corporation

(*da*) for the purposes of this Act, where depreciable property, other than property of a prescribed class, has been acquired by the new corporation from a predecessor corporation, the new corporation shall be deemed to have acquired the property before 1972 at an actual cost equal to the actual cost thereof to the predecessor corporation, and the new corporation shall be deemed to have been allowed the aggregate of all amounts allowed to the predecessor corporation in respect of the property, under regulations made under clause *a* of subsection 1 of section 24, in computing the income of the predecessor corporation.

s. 81 (2) (*k*), re-enacted

(4) Clause *k* of subsection 2 of the said section 81 is repealed and the following substituted therefor:

Scientific research

(*k*) for the purposes of section 39,

(i) an amount equal to the aggregate of all amounts each of which is the amount of an expenditure referred to in clause *a* of subsection 1 of section 39 made by a predecessor corporation shall, to the extent that it was not deducted by the predecessor corporation in computing its income for a fiscal year, be deemed to be an expenditure of a current nature on scientific research made in Canada by the new corporation in its first fiscal year,

(ii) an amount equal to the aggregate of all amounts each of which is the amount of an expenditure referred to in subclause i of clause *b* of subsection 1 of section 39 made by a predecessor corporation shall, to the extent that it was not deducted by the

Subsection 3. This amendment provides for the transfer on an amalgamation of the costs and the undeducted balances of those costs of certain farming or fishing assets.

Subsection 4. These amendments allow the transfer to a new corporation formed as the result of an amalgmation of the undeducted balances of current scientific research expenditures incurred by a predecessor corporation (this amendment is complementary to the amendments contained in section 13 of this Bill) and allow the transfer to the new corporation of rights which its predecessor had to the deferral of realizations of capital gains in respect of property that has been lost, destroyed or expropriated (this amendment is complementary to the amendments contained in section 17 of this Bill).

predecessor corporation in computing its income for a fiscal year, be deemed to be an expenditure of a capital nature on scientific research made in Canada by the new corporation in its first fiscal year,

(iii) an amount equal to the aggregate of all amounts each of which is the amount of an expenditure referred to in clause *c* of subsection 1 of section 39 made by a predecessor corporation shall, to the extent that it was not deducted by a predecessor corporation in computing its income for a fiscal year, be deemed to be an expenditure incurred by the new corporation in its first fiscal year by way of repayment of an amount paid to the new corporation under an *Appropriation Act* (Canada), and on terms and conditions described in clause *c* of subsection 1 of section 39, and

(iv) an amount equal to the aggregate of all amounts each of which is an amount paid to a predecessor corporation referred to in clause *d* of subsection 1 of section 39 shall be deemed to be an amount paid to the new corporation in its first fiscal year under an *Appropriation Act* (Canada) and on terms and conditions described in clause *c* of subsection 1 of section 39;

Property lost, destroyed or taken

(*ka*) if the amalgamation was after the 6th day of May, 1974 and a property of a predecessor corporation was lost, destroyed or taken under statutory authority prior to the amalgamation, sections 17 and 46 apply to the new corporation as though,

(i) the new corporation had been in existence and owned that property at the time it was so lost, destroyed or taken,

(ii) the cost or capital cost, as the case may be, of that property to the new corporation were its cost or capital cost, as the case may be, to the predecessor corporation, and

(iii) where the predecessor corporation had acquired a replacement property for that property before the amalgamation, the new corporation had acquired that replacement property immediately after the amalgamation.

s. 81 (2) (*p*), amended

(5) Clause *p* of subsection 2 of the said section 81 is amended by inserting after "time" in the third line "after the amalgamation".

s. 81 (2) (*q*), amended

(6) Clause *q* of subsection 2 of the said section 81 is amended by striking out all that portion thereof immediately preceding subclause i and inserting in lieu thereof the following:

1971 capital surplus on hand and paid-up capital deficiency

(*q*) for the purpose of computing the 1971 capital surplus on hand or the paid-up capital deficiency, as the case may be, of the new corporation at any time after the amalgamation, there shall be added to the aggregate of the amounts determined under subclause iv of clause *l* of subsection 1 of section 83, the amount, if any, by which,

. . . . .

s. 81 (2) (*r*), amended

(7) Clause *r* of subsection 2 of the said section 81 is amended by striking out all that portion thereof immediately preceding subclause i and inserting in lieu thereof the following:

Idem

(*r*) for the purpose of computing the 1971 capital surplus on hand or the paid-up capital deficiency, as the case may be, of the new corporation at any time after the amalgamation, there shall be added to the aggregate of the amounts determined under subclause iii of clause *d* of subsection 1 of section 83 the amount, if any, by which,

. . . . .

s. 81 (2), amended

(8) Subsection 2 of the said section 81 is further amended by adding thereto the following clause:

Idem

(*ra*) for the purpose of computing the 1971 capital surplus on hand or the paid-up capital deficiency, as the case may be, of the new corporation at any time after the amalgamation, there shall be added to the aggregate of the amounts determined under subclause iii of clause *d* of subsection 1 of section 83 the amount, if any, by which,

(i) the paid-up capital of the new corporation immediately after the amalgamation,

exceeds

(ii) the aggregate of amounts each of which is the paid-up capital in respect of a share

Subsection 5. This amendment corrects a typographical error.

Subsections 6, 7 and 8. These amendments provide a special procedure which a new corporation formed as a result of an amalgamation must use in calculating the values for its shares and its retained earnings to ensure that these values reflect the values of its predecessors.

Subsection 9. This amendment is complementary to the amendments in subsection 6 of section 43 of this Bill.

Subsection 10. This amendment provides that certain provisions of the *Income Tax Act* (Canada) are applicable where shares of a foreign affiliate are acquired as a result of an amlgamation of Canadian corporations.

Subsection 11. Clause *w* of subsection 2 of section 81 of the Act is amended to simplify the calculation of the capital dividend account of a new corporation at any time after an amalgamation, whereby the balances of the predecessors' capital dividend accounts are added to the capital dividend account of the new corporation.

Subsection 12. Complementary to the amendments in section 43 of this Bill.

Subsections 13, 14 and 15. These provisions amend the existing provisions for deferral of realizations of gains and losses on shares of a corporation being amalgamated to allow similar deferrals with respect to options to shares and securities issued by the corporation. In addition certain provisions of the *Income Tax Act* (Canada) are made applicable where there is a merger of a foreign affiliate with another corporation and the resulting corporation becomes a foreign affiliate of the taxpayer corporation.

(except a share held by any other predecessor corporation) of the capital stock of a predecessor corporation immediately before the amalgamation.

(9) Clause *s* of subsection 2 of the said section 81 is amended by striking out "vii" in the fourth line and inserting in lieu thereof "xiv". s. 81 (2) (*s*), amended

(10) Subsection 2 of the said section 81 is further amended by adding thereto the following clause: s. 81 (2), amended

(*sa*) where one or more shares of the capital stock of a foreign affiliate of a predecessor corporation have, by virtue of the amalgamation, been acquired by the new corporation and as a result thereof the affiliate has become a foreign affiliate of the new corporation, the provisions of paragraph *u* of subsection 2 of section 87 of the *Income Tax Act* (Canada) apply for the purposes of this Act. Shares of foreign affiliate 1970-71, c. 63 (Can.)

(11) Clause *w* of subsection 2 of the said section 81 is repealed and the following substituted therefor: s. 81 (2) (*w*), re-enacted

(*w*) for the purpose of computing, at any particular time after the amalgamation, the capital dividend account for a new corporation that has been a private corporation continuously from the time of the amalgamation to the particular time, there shall be added the amount of the capital dividend account of any predecessor corporation immediately before the amalgamation. Capital dividend account

(12) Clause *a* of subsection 3 of the said section 81 is amended by striking out "subclauses i to iv" in the eighth line and inserting in lieu thereof "subclause iii". s. 81 (3) (*a*), amended

(13) Subsection 4 of the said section 81, as amended by the Statutes of Ontario, 1973, chapter 157, section 22, is repealed and the following substituted therefor: s. 81 (4), re-enacted

(4) Where there has been an amalgamation of two or more corporations after the 6th day of May, 1974, each shareholder (except any predecessor corporation) who, immediately before the amalgamation, owned shares of the capital stock of a predecessor corporation (in this subsection referred to as the "old shares") that were capital property to him and who received no consideration for the disposition of those shares on the amalgamation, other than shares of the capital stock of the new corporation (in this section referred to as the "new shares") shall be deemed, Shares of predecessor corporation

(*a*) to have disposed of the old shares for proceeds equal to the aggregate of the adjusted cost bases to him of those shares immediately before the amalgamation; and

(*b*) to have acquired the new shares of any particular class of the capital stock of the new corporation at a cost to him equal to that proportion of the proceeds described in clause *a* that,

(i) the fair market value, immediately after the amalgamation, of all new shares of that particular class so acquired by him,

is of

(ii) the fair market value, immediately after the amalgamation, of all new shares so acquired by him,

and where the old shares were taxable Canadian property of the shareholder, the new shares shall be deemed to be taxable Canadian property of the shareholder.

s. 81 (5), re-enacted

(14) Subsection 5 of the said section 81, as re-enacted by the Statutes of Ontario, 1973, chapter 157, section 22, is repealed and the following substituted therefor:

Options to acquire shares of predecessor corporation

(5) Where there has been an amalgamation of two or more corporations after the 6th day of May, 1974, each person, except any predecessor corporation, who immediately before the amalgamation owned a capital property that was an option to acquire shares of the capital stock of a predecessor corporation, in this subsection referred to as the "old option", and who received no consideration for the disposition of that option on the amalgamation, other than an option to acquire shares of the capital stock of the new corporation, in this subsection referred to as the "new option", shall be deemed,

(*a*) to have disposed of the old option for proceeds equal to the adjusted cost base to him of that option immediately before the amalgamation; and

(*b*) to have acquired the new option at a cost to him equal to the proceeds described in clause *a*,

and where the old option was taxable Canadian property of the person, the new option shall be deemed to be taxable Canadian property of the person.

(15) Subsection 6 of the said section 81 is repealed and the following substituted therefor: s. 81 (6), re-enacted

(6) Notwithstanding subsection 7, where there has been an amalgamation of two or more corporations after the 6th day of May, 1974, each person, except any predecessor corporation, who immediately before the amalgamation owned a capital property that was a bond, debenture, mortgage, note or other similar obligation of a predecessor corporation, in this subsection referred to as the "old property", and who received no consideration for the disposition of the old property on the amalgamation other than a bond, debenture, mortgage, note or other similar obligation respectively, of the new corporation, in this subsection referred to as the "new property", shall, if the amount payable to the holder of the new property on its maturity is the same as the amount that would have been payable to the holder of the old property on its maturity, be deemed, Obligations of predecessor corporation

(*a*) to have disposed of the old property for proceeds equal to the adjusted cost base to him of that property immediately before the amalgamation; and

(*b*) to have acquired the new property at a cost to him equal to the proceeds described in clause *a*.

(7) Where there has been an amalgamation of two or more corporations after the 6th day of May, 1974 and, Idem

(*a*) a debt or other obligation of a predecessor corporation, other than any such debt or other obligation owed to any other predecessor corporation, was outstanding immediately before the amalgamation and became a debt or other obligation, as the case may be, of the new corporation on the amalgamation; and

(*b*) the amount payable by the new corporation on the maturity of the debt or other obligation, as the case may be, is the same as the amount that would have been payable by the predecessor corporation on its maturity,

the provisions of this Act,

(*c*) shall not apply in respect of the transfer of such debt or other obligation to the new corporation; and

(*d*) shall apply as if the new corporation had incurred or issued the debt or other obligation at the time it was incurred or issued by the predecessor corporation.

Merger of foreign affiliate

(8) Where there has been a merger of a foreign affiliate of a person, in this subsection referred to as a "predecessor affiliate", and one or more other corporations to form one corporate entity that, immediately after the merger, is a foreign affiliate of the person and such merger is not as a result of the acquisition of property of one corporation by another corporation, pursuant to the purchase of such property by the other corporation, or as a result of the distribution of such property to another corporation upon the winding up of the predecessor affiliate, the provisions of subsection 8 of section 87 of the *Income Tax Act* (Canada) apply for the purposes of this Act.

1970-71, c. 63 (Can.)

s. 82 (1), amended

42.—(1) Subsection 1 of section 82 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 157, section 23, is further amended by striking out all that portion thereof immediately preceding clause *b* and inserting in lieu thereof the following:

Winding up of wholly-owned Canadian corporation

(1) Where a Canadian corporation, in this section referred to as the "subsidiary", has been wound up after the 6th day of May, 1974 and all of the issued shares of the capital stock thereof were, immediately before the winding up, owned by another Canadian corporation, in this section referred to as the "parent", notwithstanding any other provisions of this Act, the following rules apply,

(*a*) subject to clause *aa*, each property of the subsidiary that was distributed to the parent on the winding up shall be deemed to have been disposed of by the subsidiary for proceeds equal to,

(i) in the case of any property described in subsection 2 of section 59, nil,

(ii) in the case of any eligible capital property, an amount equal to twice the cost amount to the subsidiary of such property immediately before the winding up, and

(iii) in the case of any other property, the cost amount to the subsidiary of the property immediately before the winding up;

(*aa*) each property of the subsidiary that was distributed to the parent on the winding up shall, for

SECTION 42.—Subsections 1 to 5. Subsection 1 of section 82 of the Act is amended so that a winding up of a wholly-owned subsidiary of a Canadian corporation will be treated in much the same way as an amalgamation.

the purpose of subclause ii or xiv of clause *l* of subsection 1 of section 83, be deemed not to have been disposed of.

(2) Subclause ii of clause *b* of subsection 1 of the said section 82, as amended by the Statutes of Ontario, 1973, chapter 157, section 23, is further amended by striking out "minus any subsequent deduction from that adjusted cost base that is required by subsection 2 of section 55 to be made as a result of the deemed dividend referred to in clause *e*" in the amendment of 1973. s. 82 (1) (*b*) (ii), amended

(3) Clause *d* of subsection 1 of the said section 82 is amended by striking out all that portion immediately preceding subclause ii and inserting in lieu thereof the following: s. 82 (1) (*d*), amended

(*d*) the amount determined under this clause in respect of each property that was a capital property, other than a depreciable property, of the subsidiary is such portion of the amount, if any, by which the aggregate determined under subclause ii of clause *b* exceeds the aggregate of,

(i) the amount, if any, by which,

(A) the aggregate of amounts each of which is an amount in respect of any property owned by the subsidiary immediately before the winding up, equal to the cost amount to the subsidiary of the property immediately before the winding up, plus the amount of any money of the subsidiary on hand immediately before the winding up,

exceeds the aggregate of,

(B) all amounts each of which is the amount of any debt owing by the subsidiary, or of any other obligation of the subsidiary to pay any amount, that was outstanding immediately before the winding up, and

(C) the amount of any reserve, other than a reserve referred to in clause *p* of subsection 1 of section 24, subclause iii of clause *a* of subsection 1 of section 42 or subsection 1 of section 61, deducted in computing the subsidiary's

income for its fiscal year during which its assets were distributed to the parent on the winding up,

(i*a*) the amount of the subsidiary's tax-paid undistributed surplus on hand at the time it was wound up, and

(i*b*) the amount of the subsidiary's 1971 capital surplus on hand at the time it was wound up,

as is designated by the parent in respect of that capital property in its return of income under this Part for its fiscal year in which the subsidiary was so wound up, except that,

. . . . .

s. 82 (1) (*e*), re-enacted

(4) Clause *e* of subsection 1 of the said section 82, as amended by the Statutes of Ontario, 1973, chapter 157, section 23, is repealed and the following substituted therefor:

(*e*) subsection 2 of section 78 and section 21 of *The Corporations Tax Application Rules, 1972* are not applicable to the winding up of the subsidiary;

(*ea*) the subsidiary may, for the purpose of computing its income for its fiscal year during which its assets were transferred to the parent on the winding up, claim any reserve that would have been allowed under this Part if its assets had not been transferred to the parent on the winding up and notwithstanding any other provision of this Part, no amount shall be included in respect of any reserve so claimed in computing the income of the subsidiary for its fiscal year, if any, following the year in which its assets were transferred to the parent;

(*eb*) the provisions of clauses *c*, *da*, *g* to *sa*, *v* and *w* of subsection 2 of section 81 and, subject to section 69, subsection 7 of section 81 apply to the winding up as if the references therein to,

(i) "amalgamation" were read as "winding up",

(ii) "predecessor corporation" were read as "subsidiary",

(iii) "new corporation" were read as "parent",

(iv) "its first fiscal year" were read as "its fiscal year during which it received the assets of the subsidiary on the winding up",

(v) "its last fiscal year" were read as "its fiscal year during which its assets were distributed to the parent on the winding up",

(vi) "predecessor corporation's gain" were read as "subsidiary's gain",

(vii) "new corporation's gain" were read as "parent's gain",

(viii) "predecessor corporation's income" were read as "subsidiary's income",

(ix) "new corporation's income" were read as "parent's income",

(x) "tax-paid undistributed surplus on hand immediately before the amalgamation" were read as "tax paid undistributed surplus on hand, at the time the subsidiary was wound up",

(xi) "the aggregate of amounts each of which is the 1971 capital surplus on hand, if any, of a predecessor corporation immediately before the amalgamation" were read as "the amount of the subsidiary's 1971 capital surplus on hand at the time the subsidiary was wound up",

(xii) "the aggregate of amounts each of which is the paid-up capital deficiency, if any, of a predecessor corporation immediately before the amalgamation" were read as "the amount of the subisidary's paid-up capital deficiency at the time the subsidiary was wound up", and

(xiii) "the capital dividend account of any predecessor corporation immediately before the amalgamation" were read as "the capital dividend account of the subsidiary at the time the subsidiary was wound up";

(*ec*) for the purposes of clauses *a* and *b* of subsection 1 of section 98, gifts made by the subsidiary in its last fiscal year shall, to the extent that they were

not deductible in computing its taxable income for that fiscal year, be deemed to have been made by the parent in its first fiscal year ending after the subsidiary was wound up; and

. . . . .

s. 82 (2), amended

(5) Subsection 2 of the said section 82, as enacted by the Statutes of Ontario, 1973, chapter 157, section 23, is amended by striking out "whether or not it is a subsidiary" in the first and second lines and inserting in lieu thereof "other than a subsidiary" and by striking out "1971" in the third line and inserting in lieu thereof "the 6th day of May, 1974".

s. 82 (2) (*a*) (vi), re-enacted

(6) Subclause vi of clause *a* of subsection 2 of the said section 82 is repealed and the following substituted therefor:

(vi) each property of the corporation that was so distributed at the particular time shall be deemed to have been disposed of by the corporation immediately before the end of the fiscal year so deemed to have ended for proceeds equal to the fair market value thereof immediately before the particular time; and

. . . . .

s. 82 (2) (*b*), amended

(7) Clause *b* of subsection 2 of the said section 82 is amended by striking out "or clause *e* of subsection 1" in the second line.

s. 82, amended

(8) The said section 82 is further amended by adding thereto the following subsection:

Dissolution of foreign affiliate

(3) Where on the dissolution of a foreign affiliate of a person one or more shares of the capital stock of another foreign affiliate of the person have been disposed of to the person, the provisions of subsection 3 of section 88 of the *Income Tax Act* (Canada) apply for the purposes of this Act.

1970-71, c. 63 (Can.)

s. 83 (1) (*b*) (i), re-enacted

43.—(1) Subclause i of clause *b* of subsection 1 of section 83 of the said Act is repealed and the following substituted therefor:

(i) one-half of the amount, if any, by which the aggregate of the capital gains of the corporation, for the period commencing on the first day of the first fiscal year commencing after the time the corporation last became a private corporation and ending after 1971, and ending immediately before the particular time, exceeds the aggregate of its capital losses for that period.

Subsections 6 and 7. These amendments terminate the application of subsection 2 of section 82 of the Act to wholly-owned subsidiaries. Complementary to subsections 1 to 5 of this section of the Bill.

Subsection 8. This amendment makes certain provisions of the *Income Tax Act* (Canada) applicable where on the dissolution of a foreign affiliate, shares of another foreign affiliate are distributed to the corporate taxpayer.

SECTION 43.—Subsection 1. By this amendment the subclause will state more precisely the period during which the net capital gains of a private corporation will accumulate in its capital dividend account.

Subsection 2. The definition of "paid-up capital", applicable to the income tax provisions of the Act, is amended to provide for separate calculations for each share, for each class of shares and for all shares.

(2) Clause *c* of subsection 1 of the said section 83 is repealed and the following substituted therefor: s. 83 (1) (*c*), re-enacted

(*c*) "paid-up capital" at any particular time means,

(i) in respect of a share of any class of the capital stock of a corporation, an amount equal to the paid-up capital at that time, in respect of the class of shares of the capital stock of the corporation to which that share belongs, divided by the number of issued shares of that class outstanding at that time,

(ii) in respect of a class of shares of the capital stock of a corporation, the amount, if any, by which the aggregate of,

(A) an amount equal to the paid-up capital in respect of that class of shares at that time, determined without reference to this subclause,

(B) all amounts each of which is an amount in respect of the issue of any share of that class by the corporation before that time equal to the amount, if any, by which,

1. the fair market value, at the time that share was issued, of the consideration received by the corporation for the issue of that share,

exceeds

2. the amount by which the paid-up capital referred to in sub-subclause A was increased by virtue of the issue of that share, and

(C) all amounts each of which is the amount by which,

1. that portion of the amount, if any, by which,

i. any contribution of property, other than eligible capital property, before that time to the corporation by a shareholder who owned shares of that class,

exceeds

ii. any consideration given by the corporation in respect of that contribution of property,

that cannot reasonably be regarded as a gift made to or for the benefit of any other shareholder of the corporation,

exceeds

2. the portion of the portion determined under paragraph 1 that has otherwise been included in the paid-up capital in respect of that or any other class of shares of the capital stock of the corporation,

exceeds the aggregate of,

(D) all amounts each of which is an amount in respect of the redemption, acquisition or cancellation in any manner whatever, before that time, of a share of that class by the corporation equal to the amount, if any, by which,

1. the paid-up capital in respect of that share immediately before such redemption, acquisition or cancellation,

exceeds

2. the reduction in the amount of the paid-up capital referred to in sub-subclause A by virtue of such redemption, acquisition or cancellation,

(E) all amounts each of which is an amount in respect of a reduction of the paid-up capital of that class, before that time, otherwise than by way of redemption, acquisition or cancellation of shares of that class equal to the amount, if any, by which,

Subsection 3. These amendments to the definition of "paid-up capital deficiency" are complementary to the amendments, in subsections 2 and 6 of this section of this Bill, to the definitions of "paid-up capital" and "1971 capital surplus on hand".

1. the amount paid by the corporation on the reduction of the paid-up capital,

exceeds

2. the reduction in the amount of the paid-up capital referred to in sub-subclause A by virtue of such reduction, and

(F) all amounts each of which is the amount of a dividend that the corporation would, but for this clause, have been deemed, by subsection 1 of section 78, to have paid before that time on an increase in the paid-up capital of that class of shares other than an increase on the issue of a share of that class or by virtue of the amalgamation of two or more corporations, and

(iii) in respect of all the shares of the capital stock of a corporation, an amount equal to the aggregate of all amounts each of which is an amount equal to the paid-up capital in respect of any class of shares of the capital stock of the corporation at the particular time.

(3) Clause *d* of subsection 1 of the said section 83 is amended by striking out all that portion thereof immediately preceding subclause v and inserting in lieu thereof the following: s. 83 (1) (*d*), amended

(*d*) "paid-up capital deficiency" of a corporation at any particular time after the 6th day of May, 1974 means the amount, if any, by which the aggregate of,

(i) the amounts determined under subclauses xii and xiii of clause *l* in respect of the corporation,

(ii) all amounts determined under subclauses xiv, xv and xviii of clause *l* in respect of the corporation at the particular time,

(iii) all amounts each of which is an amount equal to the paid-up capital at the particular time in respect of a share of the capital stock of

the corporation issued after 1971 that was received by a person as described in subsection 1 of section 37 if that person, or that person together with other persons with whom he does not deal at arm's length, controlled the corporation directly or indirectly in any manner whatever immediately after the time the share was issued,

(iv) where subsection 1 or 2 of section 79 has been applicable in respect of any disposition of property (other than a disposition after the 6th day of May, 1974 and before the 19th day of November, 1974) to the corporation before the particular time, the amount, if any, by which,

(A) the amount by which any increase, by virtue of the disposition, in the paid-up capital of the corporation exceeds any increase, by virtue of the disposition, in the value of its assets (determined as though the value of any property so transferred were its cost to the corporation for the purposes of this Part and as though this Part were read without reference to subsection 5 of section 79) less its liabilities,

exceeds

(B) the amount by which any increase, by virtue of the disposition, in the paid-up capital of the corporation exceeds any increase, by virtue of the disposition, in the value of its assets less its liabilities, and

(iv*a*) where the particular time is after the 18th day of November, 1974 and where at any time before the particular time the corporation issued any shares of its capital stock as consideration for the purchase of shares of the capital stock of a second corporation and,

(A) at any time before those shares were so issued, any particular person or the group of persons to whom those shares were issued,

1. controlled the second corporation, directly or indirectly in any manner whatever, or

2. beneficially owned shares of the capital stock of the second corporation representing more than 50 per cent of its paid-up capital, and

(B) at any time before the particular time, the particular person or group of persons referred to in sub-subclause A,

1. controlled the corporation directly or indirectly in any manner whatever,

2. beneficially owned shares of the capital stock of the corporation representing more than 50 per cent of its paid-up capital, or

3. held an amount of debt payable by the corporation that exceeded the paid-up capital of the corporation, at a time when shares of the capital stock of the corporation representing more than 50 per cent of its paid-up capital were beneficially owned by,

i. that particular person,

ii. that group of persons,

iii. persons related to that particular person or any member of that group of persons, or

iv. any combination of persons referred to in this paragraph,

all amounts each of which is an amount in respect of any shares so issued at any given time equal to the amount, if any, by which the lesser of,

(C) subject to subsection 6, the increase in the paid-up capital of the corporation by virtue of the issue of those shares, on the assumption that clause *c* applied on the issue of those shares, and

(D) the amount, if any, by which the aggregate of the increase in the paid-up capital of the corporation by virtue of the issue of those shares, on the assumption that clause *c* applied on the issue of those shares, and the fair market value at that time of any other consideration given by the corporation at that time for the purchase of the shares of the second corporation exceeds the lesser of,

1. the paid-up capital limit of the second corporation at that time or on the 18th day of November, 1974 where that day is later, and

2. the aggregate of all amounts each of which is the paid-up capital at that time of each share of the second corporation so purchased at that time, on the assumption that clause *c* applied at that time,

exceeds the aggregate of,

(E) the amount of any dividend that the corporation is deemed by virtue of subsection 1 of section 78 to have paid as a result of the issue of those shares, and

(F) the amount determined under subclause iv in respect of the corporation as a result of the issue of those shares,

exceeds the aggregate of,

. . . . .

s. 83 (1) (*d*) (vi), amended

(4) Subclause vi of clause *d* of subsection 1 of the said section 83 is amended by striking out "iii, iv and iv.1" in the second line and inserting in lieu thereof "to x".

s. 83 (1) (*d*) (ix), amended

(5) Subclause ix of clause *d* of subsection 1 of the said section 83 is amended by inserting after "clause *a*" in the sixth line "or *c*".

Subsection 4. Complementary to the amendment to the definition of "1971 capital surplus on hand" in subsection 6 of this section of this Bill.

Subsection 5. This amendment provides that the "restricted farm losses" of hobby farmers are to be deducted when computing the "paid-up capital deficiency" of a corporation.

Subsection 6. In this provision the definition of "1971 capital surplus on hand" is amended to adopt the changes to that expression enacted in the *Income Tax Act* (Canada).

(6) Clause *l* of subsection 1 of the said section 83, as amended by the Statutes of Ontario, 1973, chapter 157, section 24, is repealed and the following substituted therefor: s. 83 (1) (*l*), re-enacted

(*l*) "1971 capital surplus on hand" of a corporation at any particular time after the 6th day of May, 1974, means the amount, if any, by which the aggregate of,

(i) the tax equity of the corporation at the end of its 1971 fiscal year,

(ii) subject to subsection 5, all amounts each of which is an amount in respect of a capital property of the corporation owned by it on December 31, 1971 and disposed of by it after that date and before the particular time equal to the amount, if any, by which the lesser of its fair market value on the day fixed by proclamation for the purposes of subdivision B and the corporation's proceeds of disposition thereof exceeds its actual cost to the corporation determined without reference to *The Corporations Tax Application Rules, 1972*, other than subsections 15, 17 and 21 to 27 of section 26 thereof,

(iii) all amounts each of which is an amount in respect of a capital property owned by it at the end of its 1971 fiscal year or acquired by it thereafter and disposed of by the corporation before 1972, equal to the amount, if any, by which the corporation's proceeds of disposition thereof exceeds its actual cost to the corporation determined without reference to *The Corporations Tax Application Rules, 1972*,

(iv) all amounts each of which is an amount in respect of a dividend received by the corporation on a share of the capital stock of another corporation after 1971 and before the particular time, which amount was, by virtue of subsection 1 of section 77, not included in computing the income of the corporation by virtue of this Subdivision, minus such portion, if any, of that amount as was payable out of the other corporation's tax-paid undistributed surplus on hand, and

(v) all amounts each of which is an amount in respect of an eligible capital amount, within the meaning given to that expression by subsection 1 of section 18, in respect of a business carried on by the corporation that became payable to the corporation in a fiscal year commencing after the time the corporation last became a private corporation and ending before the particular time, equal to the amount, if any, by which,

(A) the amount that the eligible capital amount would be but for the provisions of the *Corporations Tax Application Rules, 1972*, relating to section 18,

exceeds

(B) the aggregate of

1. the eligible capital amount, and

2. where the amount in respect of an eligible capital amount is received as consideration for the disposition of, or for allowing the expiry of, a government right, within the meaning given to that expression by the *Corporations Tax Application Rules, 1972*, such amount as is included in respect thereof in the tax equity of the corporation at the end of its 1971 fiscal year by virtue of subclause ii*a* of clause *h*,

(vi) all amounts each of which is an amount that became payable to the corporation after the end of its 1971 fiscal year and before 1972 in respect of a property, owned by it at the end of its 1971 fiscal year or acquired by it thereafter and disposed of by it before 1972, that would have been eligible capital property if it had been disposed of after 1971, equal to the amount, if any, by which the amount that became payable exceeds any amount included in respect of that property in the tax equity of the corporation at the end of its 1971 fiscal year by virtue of subclause ii*a* of clause *h*,

(vii) all amounts each of which is an amount equal to the amount, if any, by which,

(A) the aggregate of all amounts that have become due to the corporation before the particular time in respect of the disposition after 1971 of a property owned by the corporation on the 31st day of December, 1971 that is a property referred to in clause *b* of subsection 2 of section 59,

exceeds

(B) the relevant percentage, within the meaning given to that expression by subsection 4 of section 59, of the amount receivable by the corporation in respect of that disposition,

(viii) all amounts each of which is an amount receivable in respect of a property referred to in clause *b* of subsection 2 of section 59 owned by the corporation at the end of its 1971 fiscal year or acquired by it thereafter and disposed of by it before 1972,

(ix) all amounts each of which is an amount deducted by virtue of clause *b* of subsection 1 or 2 of section 31*a* in computing the income of the corporation for a fiscal year ending before the particular time,

(x) the amount, if any, by which,

(A) the proceeds of any life insurance policy received by the corporation after the end of its 1971 fiscal year and before 1972 as the result of the death of any person whose life was insured under the policy,

exceeds

(B) the aggregate of,

1. all amounts included in the tax equity of the corporation at the end of its 1971 fiscal year in respect of the policy, and

2. all amounts paid as or on account of premiums paid under the policy by the corporation after the end of its 1971 fiscal year and before 1972, and

(xi) all amounts determined under subclauses vii and x of clause *d* in respect of the corporation at the particular time,

exceeds the aggregate of,

(xii) the paid-up capital of the corporation at the end of its 1971 fiscal year in respect of all of the shares of its capital stock,

(xiii) the amount that the corporation's undistributed income on hand, within the meaning given to that expression by the *Income Tax Act* (Canada) as it read in its application to the 1971 fiscal year, would be at the end of its 1971 fiscal year if,

R.S.C. 1952, c. 148

(A) that Act as it so read were read without reference to subparagraph iii of paragraph *a* of subsection 1 of section 82 thereof,

(B) references in paragraph *a* of subsection 1 of section 82 of that Act, except clause A of subparagraph vii thereof, to "1917" were read as references to "1950", and

(C) no amount were allowed as a deduction under subparagraph ii of paragraph *a* of subsection 1 of section 82 of that Act as it read in its application to that year that was not deductible in computing the corporation's income for the 1971 or any previous fiscal year for the purposes of Part I of that Act as it read in its application to that year, but would have been deductible in computing its income for the 1971 fiscal year if that Act as it read in its application to that year had been read without reference to any restriction on the quantum of any deduction thereunder,

Subsection 7. The subsections added to section 83 of the Act will establish the value to be used in the calculation of "1971 capital surplus on hand" for depreciable property that was acquired by a corporation prior to 1949 (subsection 4); establish for purposes of calculating the "1971 capital surplus on hand" and the "paid-up capital deficiency" special calculations of the value of shares in associated companies which were owned on December 31, 1971 and which are disposed of after that date in the course of certain capital re-organizations whereby the taxes on gains and losses after 1972 are deferred (subsection 5); and supply a special calculation to reduce the "paid-up capital deficiency" for certain dispositions of shares made between May 6, 1974 and November 18, 1974 (subsection 6).

(xiv) subject to subsection 5, all amounts each of which is an amount in respect of a capital property, other than depreciable property, of the corporation owned by it on the 31st day of December, 1971 and disposed of by it after that date and before the particular time equal to the amount, if any, by which its actual cost to the corporation determined without reference to *The Corporations Tax Application Rules, 1972*, other than subsections 15, 17, and 21 to 27 of section 26 thereof, exceeds the greater of the fair market value of the property on the day fixed by proclamation for the purposes of subdivision B and the corporation's proceeds of disposition thereof,

(xv) all amounts each of which is an amount in respect of a capital property, other than depreciable property, owned by it at the end of its 1971 fiscal year or acquired by it thereafter and disposed of by it before 1972, equal to the amount, if any, by which its actual cost to the corporation determined without reference to *The Corporations Tax Application Rules, 1972* exceeds the corporation's proceeds of disposition thereof,

(xvi) all amounts determined under subclauses iii and iv*a* of clause *d* in respect of the corporation at the particular time,

(xvii) where the particular time is after the 18th day of November, 1974, all amounts determined under subclause iv of clause *d* in respect of the corporation at the particular time, and,

(xviii) all amounts each of which is an amount in respect of a dividend that became payable by the corporation before the particular time, equal to the portion, if any, thereof payable out of its 1971 capital surplus on hand.

(7) The said section 83 is further amended by adding thereto the following subsections: s. 83, amended

Deemed capital cost of certain depreciable property

(4) For the purposes of subclause vi of clause *d* and subclauses ii and iii of clause *l* of subsection 1, the actual cost of depreciable property that was acquired by a corporation before the commencement of its 1949 fiscal year that is

capital property referred to in those subclauses shall be deemed to be the capital cost of such property to the corporation, within the meaning given to that expression by section 144 of the *Income Tax Act* (Canada) as it read in its application to the 1971 fiscal year.

R.S.C. 1952, c. 148

Rules concerning the 1971 capital surplus on hand and paid-up capital deficiency

(5) For the purposes of determining the 1971 capital surplus on hand or paid-up capital deficiency of a corporation at any particular time after the 6th day of May, 1974, the following rules apply:

(*a*) the amount referred to in subclauses ii and xiv of clause *l* of subsection 1 in respect of a capital property of the corporation shall be deemed to be nil, where the property disposed of is,

(i) a share of the capital stock of a subsidiary corporation referred to in subsection 1 of section 82 that was disposed of on the winding-up of the subsidiary where that winding-up commenced after the 29th day of May, 1973,

(ii) a share of the capital stock of another Canadian corporation that was controlled, within the meaning given to that expression by subsection 2 of section 186 of the *Income Tax Act* (Canada), by the corporation immediately before the disposition and that was disposed of by the corporation after 1971 to a person with whom the corporation was not dealing at arm's length immediately after the disposition, other than by a disposition referred to in clause *b*, or

1970-71, c. 63 (Can.)

(iii) subject to subsection 21 of section 26 of *The Corporations Tax Application Rules, 1972*, a share of the capital stock of a particular corporation that was disposed of by the corporation after the 6th day of May, 1974, on an amalgamation, within the meaning given to that expression by subsection 1 of section 81, where the corporation controlled, within the meaning given to that expression by subsection 2 of section 186 of the *Income Tax Act* (Canada), both the particular corporation immediately before the amalgamation and the new corporation immediately after the amalgamation; and

(*b*) where another corporation that is a Canadian corporation owned a capital property on the 31st day

SECTION 44. The new section 83*a* provides the rules to determine the fair market value of a share, bond, debenture, mortgage or similar obligation which has been converted into a share of the capital stock of the issuing corporation. In addition subsection 2 of section 83*a* sets out the procedure for determining the paid-up capital of the shares of a corporation formed as the result of an amalgamation; and subsection 3 requires a corporation to adjust its paid-up capital where it has elected to pay a tax-free dividend.

of December, 1971 and subsequently disposed of it to the corporation in a transaction to which section 79 applied, the other corporation shall be deemed not to have disposed of that property in the transaction and the corporation shall be deemed to have owned that property on the 31st day of December, 1971 and to have acquired it at an actual cost equal to the actual cost of that property to the other corporation.

Reduction in paid-up capital deficiency

(6) Where subclause iv*a* of clause *d* of subsection 1 has applied to the issue, prior to the 19th day of November, 1974, of any share of the capital stock of a corporation, for the purpose of sub-subclause C of subclause iv*a* of clause *d* of subsection 1, the increase in the paid-up capital of the corporation by virtue of the issue of that share shall, subject to section 78*b*, be deemed to be equal to the amount that would be determined under sub-subclause B of subclause ii of clause *c* of subsection 1 in respect of the issue of that share if clause *c* of subsection 1 were applicable at that time.

44. The said Act is further amended by adding thereto the following section:

s. 83*a*, enacted

Paid-up capital: special rules on conversion of property

83*a*.—(1) For the purposes of paragraph 1 of sub-subclause B of subclause ii of clause *c* of subsection 1 of section 83, where a corporation has issued any shares of a particular class of its capital stock in exchange for another share, bond, debenture, mortgage, note or other similar obligation of the corporation, in this subsection referred to as a "convertible property", the fair market value of the convertible property at the time the shares of the particular class were issued shall be deemed to be an amount equal to,

(*a*) where the convertible property was a share, the amount of the paid-up capital in respect of that share immediately before the exchange; or

(*b*) where the convertible property was a debt owing by the corporation, the amount of that debt immediately before the exchange.

Paid-up capital in respect of amalgamations

(2) Where there has been an amalgamation, within the meaning given to that expression by section 81, of two or more corporations, each of which corporations is in this subsection referred to as a "predecessor corporation", to form one corporate entity, in this subsection referred to as the "new corporation",

(*a*) for the purposes of paragraph 1 of sub-subclause B of subclause ii of clause *c* of subsection 1 of section 83, the new corporation shall be deemed to have received no consideration for any shares of its capital stock that were issued on the amalgamation;

(*b*) the paid-up capital in respect of any particular class of the capital stock of the new corporation shall, at any particular time after the amalgamation and after the 6th day of May, 1974, be increased by the amount, if any, by which,

(i) the aggregate of all amounts each of which is the paid-up capital, immediately before the amalgamation, in respect of a share of the capital stock of a predecessor corporation, other than a share owned by another predecessor corporation,

exceeds

(ii) the aggregate of all amounts each of which is the paid-up capital, referred to in sub-subclause A of subclause ii of clause *c* of subsection 1 of section 83, immediately after the amalgamation, in respect of a class of shares of the capital stock of the new corporation,

to the extent that that amount has not been included in the paid-up capital of any other class of shares of the capital stock of the new corporation; and

(*c*) where the amalgamation occurred prior to the 7th day of May, 1974, the paid-up capital, immediately before the amalgamation, of a share of the capital stock of a predecessor corporation shall, for the purposes of subclause i of clause *b* be determined as though subclauses i and ii of clause *c* of subsection 1 of section 83 applied immediately before the amalgamation.



Paid-up capital: where dividend paid

(3) Where a corporation has made an election under subsection 1 of section 77 in respect of a dividend on a particular class of shares of the capital stock of the corporation that has, before the 19th day of November, 1974, become payable, or was paid if that event was earlier than the time it became payable, and,

(*a*) the portion of the dividend that was payable out of the corporation's 1971 capital surplus on

SECTION 45. This amendment provides that the foreign accrual property income provisions of the *Income Tax Act* (Canada) are to apply in computing under *The Corporations Tax Act, 1972*, the income of a resident corporation.

SECTION 46.—Subsection 1. These amendments add rules to the partnership provisions of the Act relating to the allocation of a share of the income or loss of a partnership to a corporation which has ceased to be a partner.

hand if the paid-up capital of the corporation in respect of any class of shares of its capital stock at the end of its 1971 fiscal year was the amount determined under sub-subclause A of subclause ii of clause *c* of subsection 1 of section 83 in respect of that class at that time,

exceeds

(*b*) the portion of the dividend that would have been payable out of the corporation's 1971 capital surplus on hand if the paid-up capital of the corporation in respect of any class of shares of its capital stock at the end of its 1971 fiscal year was the amount determined under subclause ii of clause *c* of subsection 1 of section 83 without reference to this subsection in respect of that class at that time,

notwithstanding any other provision of this Act, the paid-up capital in respect of the particular class of shares at the end of the corporation's 1971 fiscal year and at any time after the 18th day of November, 1974, shall be reduced by the amount, if any, by which the amount referred to in clause *a* exceeds the amount referred to in clause *b*.

45. The said Act is further amended by adding thereto the following section: s. 84*a*, enacted

Income of corporations from foreign affiliates 1970-71, c. 63 (Can.)

84*a*. It is hereby declared that the provisions of sections 91, 92, 93, 94 and 95 of the *Income Tax Act* (Canada) shall apply to this Act for the purpose of computing the income for a fiscal year of a corporation resident in Canada.

46.—(1) Section 85 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 157, section 25, is further amended by adding thereto the following subsections: s. 85, amended

Allocation of share of income to retiring partner

(1*a*) For the purposes of subsection 1 and sections 90 and 92,

(*a*) where the principal activity of a partnership is carrying on a business in Canada and the members thereof have entered into an agreement to allocate a share of the income or loss of the partnership from any source or from sources in a particular place, as the case may be, to any corporation that at any time ceased to be a member of,

(i) the partnership, or

(ii) a partnership that at any time has ceased to exist or would, but for subsection 1 of section 87 have ceased to exist, and either,

(A) the members thereof, or

(B) the members of another partnership in which, immediately after that time, any of the members referred to in subsubclause A became members,

have agreed to make such an allocation to the corporation,

that corporation shall be deemed to be a member of the partnership; and

(*b*) all amounts each of which is an amount equal to the share of the income or loss referred to in this subsection allocated to a corporation from a partnership in respect of a particular fiscal year of the partnership shall, notwithstanding any other provision of this Act, be included in computing the corporation's income for the fiscal year in which that fiscal year of the partnership ends.

Disposal of right to share in income, etc.

(1*b*) Where in a fiscal year a corporation that has a right to a share of the income or loss of a partnership under an agreement referred to in subsection 1*a* disposes of that right,

(*a*) there shall be included in computing its income for the year the proceeds of the disposition; and

(*b*) for greater certainty, the cost to the corporation of each property received by it as consideration for the disposition is the fair market value of the property at the time of the disposition.

Deductions

(1*c*) Where, by virtue of subsection 1*a* or 1*b*, an amount has been included in computing a corporation's income for a fiscal year, there may be deducted in computing its income for the year the lesser of,

(*a*) the amount so included in computing its income for the year; and

(*b*) the amount, if any, by which the cost to the corporation of the right to a share of the income or loss of a partnership under an agreement referred to in subsection 1*a* exceeds the aggregate of all amounts in respect of that right that were deductible by virtue of this subsection in computing its income for previous fiscal years.

Right deemed not to be capital property

(1*d*) For the purposes of this Act, a right to a share of the income or loss of a partnership under an agreement refer-

Subsection 2. This amendment by adding a reference to subsection 2 of section 86 of the Act (which deals with an election relating to property transferred by a partner to a partnership) provides that where property is transferred to a partnership by a corporation which thereafter becomes a member, any election relating to the cost or proceeds of disposition of that property will be valid if it is executed on behalf of the corporation and the members of the partnership.

SECTION 47.—Subsection 1. Complementary to the amendments in section 48 of this Bill.

Subsection 2. This amendment will allow a corporation to have a deferral of realization of a capital gain that would otherwise result where the partnership of which it was a member has ceased to exist and the corporation carries on the business of the partnership as a sole proprietorship using property received from the partnership.

red to in subsection 1*a* shall be deemed not to be capital property.



(1*e*) Where any activity in Ontario of a partnership in a fiscal year is such that, if it were a corporation, it would be subject to clause *a* or *b* of subsection 2 or 3 of section 2, as the case may be, each corporation that is deemed by clause *a* of subsection 1*a* to be a member of the partnership shall be deemed to be subject to clause *a* or *b* of subsection 2 or 3 of section 2, as the case may be, for that fiscal year. Members of partnership deemed to have a permanent establishment in Ontario



(2) Subsection 3 of the said section 85, as enacted by the Statutes of Ontario, 1973, chapter 157, section 25, is amended by striking out "or" in the eighth line and by inserting after "36" in the ninth line "or subsection 2 of section 86". s. 85 (3), amended

47.—(1) Subsection 2 of section 87 of the said Act is repealed. s. 87 (2), repealed

(2) The said section 87 is amended by adding thereto the following subsection: s. 87, amended

(5*a*) Where at any particular time after 1971 a Canadian partnership has ceased to exist and within three months after the particular time one, but not more than one, of the persons who were, immediately before the particular time, members of that partnership, carries on by himself the business that was the business of the partnership and continues to use, in the course of the business, any property that was, immediately before the particular time partnership property and that was received by him as proceeds of disposition of his interest in the partnership, and where that one person is a corporation, hereafter in this section referred to as the "proprietor corporation", the following rules apply: Where partnership business carried on as sole proprietorship

(*a*) the proprietor corporation's proceeds of disposition of its interest in the partnership shall be deemed to be an amount equal to the greater of,

(i) the aggregate of the adjusted cost base to it, immediately before the particular time, of its interest in the partnership, and the cost to it of all interests in the partnership deemed by clause *q* to have been acquired by it at the particular time, and

(ii) the aggregate of,

(A) the cost amount to the partnership, immediately before the particular time, of each property so received by it, and

(B) the amount of any other proceeds of the disposition of its interest in the partnership received by it;

(*b*) the cost to the proprietor corporation of each such property so received by it shall be deemed to be an amount equal to,

(i) the cost amount to the partnership of the property immediately before that time,

plus,

(ii) where the amount determined under subclause i of clause *a* exceeds the amount determined under subclause ii of clause *a*, the amount determined under clause *c* or *d*, as the case may be, in respect of the property;

(*c*) the amount determined under this clause in respect of each such property so received by it that is a capital property, other than depreciable property, of the proprietor corporation is such portion of the excess, if any, described in subclause ii of clause *b* as is designated by it in respect of the property, except that,

(i) in no case shall the amount so designated in respect of any such property exceed the amount, if any, by which the fair market value of the property immediately after the particular time exceeds the cost amount to the partnership of the property immediately before that time, and

(ii) in no case shall the aggregate of amounts so designated in respect of all such capital properties, other than depreciable property, exceed the excess, if any, described in subclause ii of clause *b*;

(*d*) the amount determined under this clause in respect of each such property so received by it that is depreciable property or a property other than a capital property of the proprietor corporation is such portion of,

(i) the amount, if any, by which the excess, if any, described in subclause ii of clause *b*

exceeds the aggregate of amounts designated by it under clause *c* in respect of all capital properties, other than depreciable property,

as is designated by it in respect of the property, except that,

(ii) in no case shall the amount so designated in respect of any such property exceed the amount, if any, by which the fair market value of the property immediately after the particular time exceeds the cost amount to the partnership of the property immediately before that time, and

(iii) in no case shall the aggregate of amounts so designated in respect of all such properties of the proprietor corporation that are depreciable property or properties other than capital properties, exceed one-half of the amount determined under subclause i in respect of the proprietor corporation;

(*e*) where any such property so received by it was depreciable property of a prescribed class of the partnership and the amount that was the capital cost to the partnership of that property exceeds the amount determined under clause *b* to be the cost to the proprietor corporation of the property, for the purposes of sections 17 and 24 and any regulations made under clause *a* of subsection 1 of section 24,

(i) the capital cost to the proprietor corporation of the property shall be deemed to be the amount that was the capital cost to the partnership of the property, and

(ii) the excess shall be deemed to have been allowed to the proprietor corporation in respect of the property under regulations made under clause *a* of subsection 1 of section 24 in computing income for fiscal years before the acquisition by it of the property;

(*f*) the partnership shall be deemed to have disposed of each such property for proceeds equal to the cost amount to the partnership of the property immediately before the particular time; and

(ii) the aggregate of the cost to it of the residual interest determined for the purpose of computing the adjusted cost base to it of that interest at that time and all amounts required by subsection 1 of section 55 to be added to the cost to it of the residual interest in computing the adjusted cost base to it of that interest at that time,

the amount of the excess shall be deemed to be a gain of the corporation for the year from a disposition at that time of that residual interest; and

(*d*) where a corporation has a residual interest,

(i) by virtue of clause *b*, it shall, except for the purposes of subsection 3 of section 98, be deemed not to be a member of the partnership, and

(ii) in any other case, it shall except for the purposes of subsection 3 of section 79, be deemed not to be a member of the partnership.

Continuation of original partnership

(2) Where a partnership, in this subsection referred to as the "original partnership", has or would but for subsection 1 of section 87 have ceased to exist at a time when a corporation had rights described in clause *a* of subsection 1 in respect of that partnership and the members of another partnership agree to satisfy all or part of those rights, that other partnership shall, for the purposes of clause *a* of subsection 1, be deemed to be a continuation of the original partnership.

Transfer of interest on death

87*b*. Where by virtue of the death of an individual a corporation has acquired a property that was an interest in a partnership to which, immediately before the individual's death, section 87*a* applied,

(*a*) the corporation shall be deemed to have acquired a right to receive partnership property and not to have acquired an interest in a partnership;

(*b*) the corporation shall be deemed to have acquired the right referred to in clause *a* at a cost equal to the amount determined to be the proceeds of disposition of the interest in the partnership to the deceased individual by virtue of paragraph *a* of subsection 5 of section 70 or paragraph *d* of subsection 6 of section 70, as the case may be, of the *Income Tax Act* 1970-71, c. 63 (Can.) (Canada); and

(*c*) section 45 is not applicable to the right.

s. 89 (2) (*b*), re-enacted

49. Clause *b* of subsection 2 of section 89 of the said Act is repealed and the following substituted therefor:

(*b*) the aggregate of,

(i) the cost to the corporation of the interest in the partnership determined for the purpose of computing the adjusted cost base to it of that interest at that time, and

(ii) all amounts required by subsection 1 of section 55 to be added to the cost to it of that interest in computing the adjusted cost base to it of that interest at that time.

s. 96, amended

50.—(1) Section 96 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 157, section 26, is further amended by adding thereto the following subsection:

Cost of capital interest in a testamentary trust

(1*a*) For the purposes of subsection 1 and notwithstanding clause *c* of subsection 1 of section 66, the cost to a corporation of a capital interest in a testamentary trust shall be deemed to be,

(*a*) where the interest was purchased, the cost otherwise determined;

(*b*) where paragraph *c* of subsection 5 of section 70 of the *Income Tax Act* (Canada) applies, the cost therein determined; and

1970-71, c. 63 (Can.)

(*c*) in any other case, nil.

s. 96 (3), amended

(2) Subsection 3 of the said section 96 is amended by striking out "that proportion" in the ninth line and in the tenth line and inserting in lieu thereof in each instance "the amount".

s. 97 (1) (*c*), amended

51. Clause *c* of subsection 1 of section 97 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 157, section 27, is further amended by inserting after "trust" in the second line "other than a trust that is a foreign affiliate of the corporation".

s. 100 (1) (*c*), repealed

52.—(1) Clause *c* of subsection 1 of section 100 of the said Act is repealed.

s. 100 (2), amended

(2) Subsection 2 of the said section 100 is amended by striking out "corporation" in the second line and inserting in lieu thereof "corporation, other than a foreign affiliate of the corporation".

SECTION 49. This amendment provides that in calculating the gain or loss from the sale by a corporation of an interest in a partnership, the amount used as the cost is the same amount as is determined elsewhere in the Act to be the cost.

SECTION 50.—Subsection 1. This amendment provides the rules to determine cost to a corporation of a capital interest in a testamentary trust.

Subsection 2. This amendment is made for the purpose of clarification.

SECTION 51. This amendment redefines "cost amount" of any capital interest of a corporation in a trust so that it will not apply to a trust which is a foreign affiliate of the corporation. Trusts which are foreign affiliates are dealt with elsewhere in this Bill.

SECTION 52.—Subsection 1. This amendment removes the provision entitling a corporation to a deduction from income with respect to dividends received from foreign affiliates. This is complementary to the amendment in section 53 of this Bill.

Subsection 2. By this amendment dividends received from foreign affiliates are excluded from the general provisions relating to dividends received from non-resident corporations that are taxable in Canada. This is complementary to the other amendments in this Bill dealing specifically with dividends received from foreign affiliates.

Subsection 3. These amendments will restrict the ability of corporations and securities dealers to deduct losses on shares which they hold for investment purposes or for trading purposes. Subsection 3 of section 100, relating to losses on shares held for investment purposes, is extended to apply to securities dealers; and subsection 4 of section 100, relating to losses on shares held for trading purposes, is extended to apply to corporations other than securities dealers. In addition a new subsection 4*a* is added to section 100 to require that in establishing the fair market value of a share contained in inventory, the amount of any dividends received, other than capital gains dividends received from mutual funds or investment corporations, should be deducted from the fair market value otherwise determined.

(3) Subsections 3 and 4 of the said section 100 are repealed and the following substituted therefor: s. 100 (3, 4), re-enacted

(3) Where a corporation owns a share that is a capital property and receives a taxable dividend or capital dividend in respect of that share, the amount of any loss of the corporation arising from transactions with reference to the share on which the dividend was received shall, unless it is established by the corporation that, Loss on share that is capital property

(*a*) the corporation owned the share 365 days or longer before the loss was sustained; and

(*b*) the corporation did not, at the time the dividend was received, own more than 5 per cent of the issued shares of any class of the capital stock of the corporation from which the dividend was received,

be deemed to be the amount of that loss otherwise determined, minus the aggregate of all amounts received by the corporation in respect of;

(*c*) taxable dividends on the share to the extent that the amounts thereof were deductible from the corporation's income for any fiscal year by virtue of this section or subsection 6 of section 138 of the *Income Tax Act* (Canada); or 1970-71, c. 63 (Can.)

(*d*) capital dividends on the share.

(4) Where a corporation owns a share that is not a capital property and receives a dividend in respect of that share, the amount of any loss of the corporation arising from transactions with reference to the share on which the dividend was received shall, unless it is established by the corporation that, Loss on share that is not capital property

(*a*) it owned the share 365 days or longer before the loss was sustained; and

(*b*) it did not, at the time the dividend was received, own more than 5 per cent of the issued shares of any class of the capital stock of the corporation from which the dividend was received,

be deemed to be the amount of that loss otherwise determined, minus the aggregate of all amounts received by it in respect of dividends, other than capital gains dividends within the meaning given to that expression by subsection 1 of section 109, on the share.

Fair market value of share that is not capital property

(4*a*) Where a corporation owns a share that is not a capital property and receives a dividend in respect of that share, for the purpose of subsection 1 of section 15 the fair market value of the share at any particular time after the 18th day of November, 1974 shall, unless it is established by the corporation that,

(*a*) it owned the share 365 days or longer before the particular time; and

(*b*) it did not, at the time the dividend was received, own more than 5 per cent of the issued shares of any class of the capital stock of the corporation from which the dividend was received,

be deemed to be the aggregate of the fair market value of the share at the particular time otherwise determined and all amounts received before the particular time by it in respect of dividends, other than capital gains dividends within the meaning given to that expression by subsection 1 of section 109, on the share.

s. 100, amended

(4) Section 100 of the said Act is amended by adding thereto the following subsection:

Rules where shares exchanged

(6) Where at a particular time a share, in this subsection referred to as the "new share", has been acquired by a corporation in exchange for another share, in this subsection referred to as the "old share", by means of a transaction to which section 53, 79*a*, 80 or 81 applies, any reference in subsection 3 to a share shall be deemed to include a reference to the new share and the old share as though they were the same share, except that the aggregate of the amounts to be deducted from a loss otherwise determined on any new share of the corporation, in respect of dividends received by it on the share, shall be deemed to be the aggregate of,

(*a*) the aggregate of amounts that would be determined under subsection 3 in respect of taxable dividends or capital dividends received by it on the new share only; and

(*b*) that proportion of the aggregate of all amounts received by it in respect of taxable dividends or capital dividends on all the old shares exchanged at the particular time that,

(i) the adjusted cost base to it of the new share immediately after the exchange,

is of,

(ii) the adjusted cost base to it of all new shares immediately after the exchange.

Subsection 4. This amendment adds provisions to establish the amount of dividends that must be deducted from the loss on sale of a share held for investment purposes, where that share was received by the corporation in exchange for a share previously held. The amendment provides for a situation not covered by section 100(3), that is, where, because of an exchange, the tax on an old share was deferred until the new share received in the exchange was sold.

SECTION 53. This amendment makes applicable certain provisions of the *Income Tax Act* (Canada) to provide for the deduction from income of certain dividends (and applicable foreign taxes) received by a corporation from its foreign affiliate.

SECTION 54. This amendment adds a new section 100*b* to the Act to allow corporations to deduct, from their income earned in Ontario, after all other deductions have been claimed, their contributions to political parties and candidates. Such deduction may not exceed $4,000 in any fiscal year, and undeducted amounts may be carried forward to subsequent fiscal years.

53. The said Act is further amended by adding thereto the following section: s. 100*a*, enacted

Deduction re dividends from foreign affiliates 1970-71, c. 63 (Can.)

100*a*. It is hereby declared that the provisions of section 113 of the *Income Tax Act* (Canada) shall apply to this Act for the purposes of computing the taxable income for a fiscal year of a corporation resident in Canada.

54. The said Act is further amended by adding the following section: s. 100*b*, enacted

Election contributions

100*b*.—(1) In computing a corporation's taxable income for a fiscal year, there may be deducted the aggregate of amounts (the aggregate of which amounts is hereafter in this subsection referred to as "the amount contributed") that are contributions for the purposes of *The Election Finances Reform Act, 1975* and that are contributed in the fiscal year, and in any previous fiscal year ending after the 12th day of February, 1975 to the extent that such contributions have not already been deducted, by the corporation to registered candidates at an election of a member or members to serve in the Assembly, to registered constituency associations or to registered parties, provided that, 1975, c. 12

(*a*) subject to subsection 3, such deduction shall not exceed the least of,

(i) the amount contributed, and

(ii) its taxable income computed without reference to this section, and

(iii) $4,000; and

(*b*) payment of each amount that is included in the amount contributed is proven by filing with the Minister receipts that are signed by a recorded agent of the registered candidate, registered constituency association or registered party, as the case may be, and that contain the information prescribed to be shown on such receipts.

Interpretation

(2) In this section,

(*a*) "recorded agent" means a person on record with the Commission on Election Contributions and Expenses as being authorized to accept contributions on behalf of a political party, constituency association or candidate registered under *The Election Finances Reform Act, 1975*;

(*b*) "registered candidate" with respect to an election of a member or members to serve in the Assembly, means a person who has been registered as a candidate for such election by the Commission on Election Contributions and Expenses and whose name has not been deleted from the register of candidates maintained by the Commission with respect to such election;

(*c*) "registered constituency association" means a registered constituency association within the meaning given to that expression by *The Election Finances Reform Act, 1975*; 1975, c. 12

(*d*) "registered party" means a registered party within the meaning given to that expression by *The Election Finances Reform Act, 1975*.

Corporations to which s. 103 applicable

(3) In respect of a corporation to which section 103 is applicable, the amount deductible under clause *a* of subsection 1 is the aggregate of,

(*a*) the amount which would otherwise be deducted under clause *a* of subsection 1; and

(*b*) that proportion of the amount determined under clause *a* that,

(i) the taxable income of the corporation that is earned in jurisdictions other than Ontario (as computed for the purposes of section 103 and without reference to this section),

is to

(ii) the amount by which the taxable income of the corporation exceeds the amount referred to in subclause i.

s. 101 (*a*) (iv), amended

55.—(1) Subclause iv of clause *a* of section 101 of the said Act is amended by striking out "and" in the eleventh line.

s. 101 (*a*) (v), re-enacted

(2) Subclause v of clause *a* of the said section 101 is repealed and the following substituted therefor:

(v) proceeds of disposition that become receivable by it in the fiscal year in respect of the disposition of a property that is a Canadian resource property or that would have been such a property if the property had been

SECTION 55. These amendments to section 101 of the Act require non-resident corporations to include in income amounts receivable from the sale of Canadian resource property and profits from the sale of a timber resource property, from the sale of a right to share in the income of a partnership of which it is not a member, and from the sale of an option in respect of property in Canada.

SECTION 56. This amendment repeals the deduction previously allowed with respect to logging tax. Since *The Logging Tax Act* has been repealed, this deduction is no longer necessary.

SECTION 57. This amendment increases to $100,000 the maximum portion of a corporation's income in respect of which it can claim the small business deduction.

SECTION 58. This provision, relating to non-resident-owned investment corporations, amends the definition of "Canadian property" to make it clear that that expression includes taxable Canadian property.

acquired by it after 1971, to the extent that those proceeds were not included in computing its income from a business carried on by it in Canada,

(vi) amounts required by subsection 1*a* of section 17 to be included in computing its income for the year in respect of dispositions of timber resource properties to the extent that those amounts were not included in computing its income from a business carried on by it in Canada,

(vii) the amount, if any, by which any amount required by subsection 1*b* of section 85 to be included in computing its income for the year as proceeds of the disposition of a right to a share of the income or loss under an agreement referred to in clause *a* of subsection 1*a* of section 85 exceeds the amount in respect of that right that would, if the corporation were liable to taxation by virtue of subsection 1 of section 2 throughout the fiscal year, be deductible under subsection 1*c* of section 85 in computing its income for the year.

(3) Clause *b* of the said section 101, as amended by the Statutes of Ontario, 1973, chapter 157, section 28, is further amended by inserting after "property" in the fifth line "or an interest therein". s. 101 (*b*), amended

(4) The said section 101 is amended by adding thereto the following subsection: s. 101, amended

(2) For the purposes of this section, a property described in subparagraphs i to ix of paragraph *b* of subsection 1 of section 115 of the *Income Tax Act* (Canada) shall be deemed to include an option in respect of such property whether or not such property is in existence. Property deemed to include option 1970-71, c. 63 (Can.)

56. Section 105 of the said Act is repealed. s. 105, repealed

57. Subsection 2 of section 106*a* of the said Act, as enacted by the Statutes of Ontario, 1974, chapter 75, section 7, is amended by striking out "$50,000" in the fifth line and inserting in lieu thereof "$100,000". s. 106*a* (2), amended

58. Clause *a* of subsection 5 of section 110 of the said Act is repealed and the following substituted therefor: s. 110 (5) (*a*), re-enacted

(*a*) "Canadian property" means,

(i) property of a corporation that would be taxable Canadian property if at no time in the year the corporation had been resident in Canada, and

(ii) any other property not being foreign property within the meaning given to that expression by section 206 of the *Income Tax Act* (Canada).

1970-71, c. 63 (Can.)

s. 112, amended

59. Section 112 of the said Act is amended by adding thereto the following subsection:

Patronage dividends

(7) For the purposes of this section, where,

(*a*) a person has sold or delivered a quantity of goods or products to a marketing board established by or pursuant to a law of Canada or of a province;

(*b*) the marketing board has sold or delivered the same quantity of goods or products of the same class, grade or quality to a corporation of which the person is a member; and

(*c*) the corporation has credited that person with an amount based on the quantity of goods or products of that class, grade or quality sold or delivered to it by the marketing board,

the quantity of goods or products referred to in clause *c* shall be deemed to have been sold or delivered by that person to the corporation and to have been acquired by the corporation from that person.

s. 114 (3), re-enacted

60.—(1) Subsection 3 of section 114 of the said Act is repealed and the following substituted therefor:

Amount paid in respect of member's share deemed paid as interest

(3) Notwithstanding any other provisions of this Act, any amount paid or payable by a credit union to a member thereof in respect of his share in the credit union, other than any such amount paid or payable as or on account of a reduction of the paid-up capital, redemption, acquisition or cancellation by the credit union of the member's share to the extent of the paid-up capital of his share, shall be deemed to have been paid or payable, as the case may be, by the credit union as interest and, when received by the member, to have been received by him as interest.

Application of s. 78

(3*a*) Subsections 2, 3 and 4 of section 78 do not apply to deem a dividend to have been paid by a corporation to any of its shareholders, or to deem any of the shareholders of a

SECTION 59. This amendment, relating to patronage dividends, provides that, where a person sells goods through a government marketing board to a co-operative or similar corporation of which he is a member, he shall be deemed to have sold the goods directly to the co-operative or similar corporation for the purpose of determining the patronage dividends paid by that corporation.

SECTION 60.—Subsections 1 and 2. These amendments, relating to credit unions, expand the existing provisions and require such corporations to report all payments which are to members in respect of shares (with certain exceptions) and in respect of a refund of interest on a loan. Such amounts must be included by the members in their income.

Subsection 3. This provision amends the definition of "credit union" by extending the sources from which the revenue can be derived and requiring that substantially all of the revenue be derived from such sources (which is more restrictive than the previous provision). In addition certain types of federations and corporations will now be recognized as credit unions.

corporation to have received a dividend on any shares of the capital stock of the corporation, if at the time the dividend would, but for this subsection, be deemed by subsection 2, 3, or 4 of section 78 to have been so paid or received, as the case may be, the corporation was a credit union.

(2) Clause *a* of subsection 5 of the said section 114 is amended by inserting after "union" in the sixteenth line "of the same class and for this purpose a class includes all members for whom the rates of interest payable in relation to the money borrowed are the same". s. 114 (5) (*a*), amended

(3) Clause *b* of subsection 5 of the said section 114 is repealed and the following substituted therefor: s. 114 (5) (*b*), re-enacted

(*b*) "credit union" means a corporation, association or federation incorporated or organized as a credit union or co-operative credit society if,

(i) it derived all or substantially all of its revenues from,

(A) loans made to, or cashing cheques for, members,

(B) bonds or securities of or loans to, or guaranteed by, the Government of Canada or a province, a Canadian municipality, or an agency thereof, or bonds or securities of or loans to a municipal or public body performing a function of government in Canada or an agency thereof,

(C) bonds of a corporation, commission or association not less than 90 per cent of the shares or capital of which was owned by the Government of Canada or a province or by a municipality in Canada,

(D) loans to or deposits with a bank to which the *Bank Act* (Canada) or the *Quebec Savings Banks Act* (Canada) applies, or loans to or deposits with a corporation licensed or otherwise authorized under a law of Canada or a province to carry on in Canada the business of offering to the public its services as trustee, R.S.C. 1970, cc. B-1, B-4

(E) charges, fees and dues levied against members or members of members, or

(F) loans made to or deposits with a credit union or co-operative credit society of which it is a member, or

(ii) all or substantially all the members thereof were corporations, associations or federations,

(A) incorporated as credit unions or co-operative credit societies, all of which derived all or substantially all of their revenues from the sources described in subclause i or all of whose shares are owned by credit unions, co-operatives or a combination thereof,

(B) incorporated, organized or registered under, or governed by a law of Canada or a province with respect to co-operatives, or

(C) incorporated or organized for charitable purposes,

or were corporations, associations or federations no part of the income of which was payable to, or otherwise available for the personal benefit of, any shareholder or member thereof.

s. 117*a*, enacted

61. The said Act is further amended by adding thereto the following section:

Deemed not to be a private corporation

117*a*. Notwithstanding any other provison of this Act, an insurance corporation, other than a life insurance corporation, that would but for this section be a private corporation shall be deemed not to be a private corporation except for the purposes of section 106*a*.

s. 120, amended

62. Section 120 of the said Act is amended by adding thereto the following subsection:

Property of a trust governed by a revoked plan

(9*a*) Where a trust governed by a revoked plan,

(*a*) disposes of property to a corporation for a consideration less than the fair market value of the property at the time of the transaction, or for no consideration; or

SECTION 61. This amendment deems insurance corporations, other than life insurance corporations, which would otherwise be private corporations, to be public corporations except for the purposes of the small business deduction under section 106*a*. Life insurance corporations are already deemed to be public corporations.

SECTION 62. This amendment will require a corporation to include in its income any difference between the fair market value and the amount actually paid or received by it in purchasing or selling any property to a trustee of a deferred profit sharing plan, the registration of which has been revoked.

SECTION 63.—Subsection 1. This amendment increases the number of organizations to which a non-profit corporation may make gifts which will be considered as being for charitable purposes and to disallow gifts made to other non-profit corporations.

Subsection 2. This amendment allows corporations that are clubs, societies, and similar organizations, to distribute funds to members that are Canadian amateur athletic clubs without losing their tax-exempt status.

Subsections 3 and 4. This amendment requires non-profit corporations to include in their income gifts received from other non-profit corporations or from charitable trusts.

SECTION 64. In this amendment the provisions relating to instalment payments of tax are amended to accelerate the final instalment of tax, so that the final instalment will be payable three months after the end of the fiscal year in the case of small business corporations, and two months after the end of the fiscal year for any other corporation.

(*b*) acquires property from a corporation for a consideration greater than the fair market value of the property at the time of the transaction,

the difference between such fair market value and the consideration, if any, shall be deemed to be an amount received by the corporation from a trustee under the plan and that amount shall be included in the corporation's income for a fiscal year.

63.—(1) Subclause iii of clause *e* of subsection 1 of section 122 of the said Act is amended by adding "or" at the end of sub-subclause A, by striking out sub-subclauses B, C and D and by substituting therefor the following: s. 122 (1) (*e*) (iii), amended

(B) a gift to any donee described in clause *a* or *b* of subsection 1 of section 98,

. . . . .

(2) Clause *i* of subsection 1 of the said section 122, as re-enacted by the Statutes of Ontario, 1973, chapter 42, section 9, is amended by adding at the end thereof "unless the proprietor, member or shareholder was a club, society or association the primary purpose and function of which was the promotion of amateur athletics in Canada". s. 122 (1) (*i*), amended

(3) Clause *b* of subsection 6 of the said section 122 is amended by inserting after "corporation" in the second line "including gifts received from a person described in clause *e* of subsection 1 or paragraph *h* of subsection 1 of section 149 of the *Income Tax Act* (Canada)". s. 122 (6) (*b*), amended; 1970-71, c. 63 (Can.)

(4) Subclause ii of clause *b* of subsection 6 of the said section 122 is amended by inserting after "donor" in the second line "other than a person described in clause *e* of subsection 1 or paragraph *h* of subsection 1 of section 149 of the *Income Tax Act* (Canada)" and by inserting after "person" in the fifth line "other than a person described in clause *e* of subsection 1 or paragraph *h* of subsection 1 of section 149 of the *Income Tax Act* (Canada)". s. 122 (6) (*b*) (ii), amended

64.—(1) Subsections 2 and 3 of section 148 of the said Act are repealed and the following substituted therefor: s. 148 (2), repealed; s. 148 (3), re-enacted

(3) Every corporation on which a tax is imposed by this Act shall pay to the Treasurer of Ontario, Dates of payment

(*a*) on or before the fifteenth day of each of the third, fifth, seventh, ninth and eleventh months of the

fiscal year in respect of which the tax is payable and on or before the fifteenth day of the first month of the fiscal year following that in respect of which the tax is payable, an instalment equal to one-sixth of the tax payable as estimated by it at the rates for the fiscal year on,

(i) its estimated taxable income and other subject of tax for the fiscal year, or

(ii) its taxable income and other subject of tax for the immediately preceding fiscal year; and

(*b*) the balance, if any, of the tax payable for the fiscal year as estimated by it under subsection 2 of section 145,

(i) on or before the last day of the third month of the fiscal year following that in respect of which the tax is payable, where an amount was deducted by virtue of section 125 of the *Income Tax Act* (Canada) in computing the tax payable by the corporation under Part 1 of that Act for the immediately preceding fiscal year, or

1970-71, c. 63 (Can.)

(ii) on or before the last day of the second month of the fiscal year following that in respect of which the tax is payable, in any other case.

s. 148 (4), amended

(2) Subsection 4 of the said section 148 is amended by striking out "Notwithstanding subsections 2 and 3" in the first line and inserting in lieu thereof "Notwithstanding subsection 3" and by striking out "2 or" in the fifth line.

s. 149 (2), amended

65. Subsection 2 of section 149 of the said Act is amended by striking out "2" in the first line.

s. 167 (1), amended

66.—(1) Subsection 1 of section 167 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 157, section 32, is further amended by striking out "1961" in the amendment of 1973 and inserting in lieu thereof "1967".

s. 167 (2), amended

(2) Subsection 2 of the said section 167, as amended by the Statutes of Ontario, 1973, chapter 157, section 32, is further amended by striking out "1961" in the amendment of 1973 and inserting in lieu thereof "1967".

SECTION 65. This amendment is complementary to the amendments contained in section 64 of this Bill.

SECTION 66. This provision amends the lien section of the Act to provide that the lien will no longer apply to taxes, interest, penalties and other amounts imposed for fiscal years commencing prior to 1968.

67.—(1) Subsections 2 and 9 of section 1, paragraph 38*a* of subsection 1 of section 1 of the said Act, as enacted by subsection 4 of section 1 of this Act, section 5, subsection 2 of section 8, section 13, subsections 9, 11 and 12 of section 28, section 30, subsection 1 of section 34, sections 37, 61 and 62, and subsections 1, 3 and 4 of section 63 shall be deemed to have come into force on the 1st day of January, 1974 and apply to corporations in respect of all fiscal years ending after 1973. Commencement and application

(2) Subsections 3 and 8 of section 1, paragraph 33*a* of subsection 1 of section 1 of the said Act, as enacted by subsection 4 of section 1 of this Act, subsections 6 to 9 of section 6, subsection 3 of section 7, subsections 8 and 9 of section 8, section 9, subsection 2 of section 15, sections 16, 18 and 21, subsections 2 to 5 and 7 to 12 of section 22, subsections 1, 2, 4 and 5 of section 23, subsections 2, 3 and 8 of section 28, subsection 2 of section 34, subsection 1 of section 43, sections 45, 46, 47, 48, 49, 50 and 51, subsection 2 of section 52, subsection 3 of section 55, sections 58, 59 and 60, and subsection 2 of section 63 shall be deemed to have come into force on the 1st day of January, 1972 and apply to corporations in respect of all fiscal years ending after 1971. Idem

(3) Sections 32 and 56 come into force on the day this Act receives Royal Assent. Idem

(4) Subsection 1 of section 1 and section 12 shall be deemed to have come into force on the 1st day of January, 1975 and apply to corporations in respect of all fiscal years ending after 1974. Idem

(5) Subsection 5 of section 1 shall be deemed to have come into force on the 7th day of May, 1974 and is applicable for the purpose of calculating the paid-up capital of a corporation at the end of its fiscal year ending in 1971 and at any time after the 6th day of May, 1974. Idem

(6) Subsection 6 of section 1 shall be deemed to have come into force on the 7th day of April, 1975. Idem

(7) Subsection 7 of section 1 shall be deemed to have come into force on the 1st day of January, 1972 and applies to corporations in respect of all fiscal years ending after 1971. Idem

Idem

(8) Section 2 shall be deemed to have come into force on the 7th day of May, 1974 and applies to corporations in respect of all fiscal years ending after the 6th day of May, 1974.

Idem

(9) Section 3 shall be deemed to have come into force on the 7th day of May, 1974 and applies to corporations in respect of all fiscal years ending after the 6th day of May, 1974.

Idem

(10) Subsection 1 of section 4 shall be deemed to have come into force on the 19th day of November, 1974 and applies to corporations in respect of all fiscal years ending after the 18th day of November, 1974.

Idem

(11) Subsection 2 of section 4 shall be deemed to have come into force on the 8th day of April, 1975 and applies to corporations with respect to all fiscal years that end after the 7th day of April, 1975 except that with respect to the fiscal year that ends after the 7th day of April, 1975 and that includes that day the amount to be determined under clause *o* of subsection 1 of section 16 of the said Act shall be that portion of any amount that becomes receivable in that fiscal year or the fair market value of any property that becomes receivable in that fiscal year that the number of days of that fiscal year that follow the 7th day of April, 1975 bears to the total number of days of that fiscal year.

Idem

(12) Subsection 3 of section 4 shall be deemed to have come into force on the 1st day of January, 1975 and applies to corporations in respect of all fiscal years ending after 1974 and, except in the case of a credit union, any interest that was not included in computing a corporation's income for a fiscal year ending before 1975 but that would have been included in subsection 3 of section 16, as enacted by subsection 3 of section 4 of this Act, had applied shall be included in computing its income for its fiscal year ending in 1975.

Idem

(13) Subsections 1 and 2 of section 6 shall be deemed to have come into force on the 7th day of May, 1974 and apply in respect of timber resource property acquired after the 6th day of May, 1974.

Idem

(14) Subsection 3 of section 6 shall be deemed to have come into force on the 7th day of May, 1974 and applies in respect of amounts that become receivable after the 6th day of May, 1974.

(15) Subsection 4 of section 6 shall be deemed to have come into force on the 1st day of January, 1972 and applies to acquisitions of property occurring after the 18th day of November, 1974 and to all fiscal years of corporations ending after 1971 in respect of the repayment on, before or after January 1, 1972 of grants, subsidies or other assistance. Idem

(16) Subsection 5 of section 6 and subsection 2 of section 7 shall be deemed to have come into force on the 7th day of May, 1974 and apply to corporations in respect of all fiscal years ending after the 6th day of May, 1974. Idem

(17) Subsections 10 and 11 of section 6 shall be deemed to have come into force on the 7th day of May, 1974 and apply in respect of acquisitions of property occurring after the 6th day of May, 1974. Idem

(18) Subsection 1 of section 7 shall be deemed to have come into force on the 8th day of April, 1975 and applies to corporations with respect to all fiscal years that end after the 7th day of April, 1975 except that with respect to the fiscal year that ends after the 7th day of April, 1975 and includes that day, the amount paid or payable in the year or the fair market value of property paid in the year shall, for the purposes of clause *n* of subsection 1 of section 22 of the said Act be the aggregate of, Idem

(*a*) that portion of the amount determined under that clause as it stood prior to the 8th day of April, 1975, that the number of days of that fiscal year prior to the 8th day of April, 1975 bears to the total number of days of that fiscal year; and

(*b*) that portion of the amount determined under that clause as amended by this Act for that fiscal year that the number of days of that fiscal year that follow the 7th day of April, 1975 bears to the total number of days of that fiscal year.

(19) Subsection 1 of section 8 shall be deemed to have come into force on the 19th day of November, 1974 and applies to sales occurring and debts arising after the 18th day of November, 1974. Idem

(20) Subsections 3, 4, 5, 6 and 7 of section 8 shall be deemed to have come into force on the 7th day of May, 1974 and apply in respect of dispositions occurring after the 6th day of May, 1974. Idem

Idem (21) Section 10 shall be deemed to have come into force on the 7th day of May, 1974 and applies to sales of debts occurring after the 6th day of May, 1974.

Idem (22) Section 11 shall be deemed to have come into force on the 7th day of May, 1974 and applies to sales occurring after the 6th day of May, 1974.

Idem (23) Section 14 shall be deemed to have come into force on the 7th day of May, 1974 and applies to timber resource property acquired after the 6th day of May, 1974.

Idem (24) Subsection 1 of section 15 shall be deemed to have come into force on the 7th day of May, 1974 and applies to dispositions occurring after the 6th day of May, 1974.

Idem (25) Section 17 shall be deemed to have come into force on the 7th day of May, 1974 and applies to amounts that have become receivable after the 6th day of May, 1974.

Idem (26) Section 19 shall be deemed to have come into force on the 7th day of May, 1974 and applies to extensions or renewals granted after the 6th day of May, 1974.

Idem (27) Section 20 shall be deemed to have come into force on the 7th day of May, 1974 and applies to exchanges of property occurring after the 6th day of May, 1974.

Idem (28) Subsection 1 of section 22 shall be deemed to have come into force on the 1st day of January, 1972 and applies in respect of contributions of capital occurring after 1971 in computing the adjusted cost base of a property after 1971.

Idem (29) Subsection 6 of section 22 shall be deemed to have come into force on the 1st day of January, 1972 and applies in respect of contributions of capital occurring before the 7th day of May, 1974 in computing the adjusted cost base of property after 1971.

Idem (30) Subsection 13 of section 22 shall be deemed to have come into force on the 19th day of November, 1974 and is applicable for the purpose of computing the adjusted cost base of a property after 1971 in respect of acquisitions of property occurring after the 18th day of November, 1974 and in respect of the repayment after 1971 of grants, subsidies or other assistance.

Idem (31) Subsection 14 of section 22 and subsection 2 of section 27 shall be deemed to have come into force on the 7th day of May, 1974 and apply in respect of transactions occurring after the 6th day of May, 1974.

(32) Subsection 3 of section 23 shall be deemed to have come into force on the 19th day of November, 1974 and applies to dispositions of property occurring after the 18th day of November, 1974. Idem

(33) Sections 24 and 26 shall be deemed to have come into force on the 1st day of January, 1975 and apply to corporations in respect of all fiscal years ending after 1974. Idem

(34) Section 25 shall be deemed to have come into force on the 7th day of May, 1974 and applies in respect of dispositions occurring after the 6th day of May, 1974. Idem

(35) Subsection 1 of section 27 shall be deemed to have come into force on the 19th day of November, 1974 and applies to corporations in respect of all fiscal years ending after the 18th day of November, 1974. Idem

(36) Subsections 1, 4 and 5 of section 28 shall be deemed to have come into force on the 7th day of May, 1974 and apply to corporations in respect of all fiscal years ending after the 6th day of May, 1974. Idem

(37) Subsections 6 and 7 of section 28 shall be deemed to have come into force on the 7th day of May, 1974 and apply to transactions occurring after the 6th day of May, 1974. Idem

(38) Subsection 10 of section 28 shall be deemed to have come into force on the 1st day of January, 1974 and applies to corporations in respect of all fiscal years ending after 1973 except that it shall not apply to any right or interest in property of a trust acquired before the 19th day of November, 1974 in respect of which a deduction has been claimed in respect of a fiscal year ending before 1976 under section 63 of the said Act. Idem

(39) Section 29 shall be deemed to have come into force on the 7th day of May, 1974 and applies in respect of appropriations, dispositions or acquisitions of property occurring after the 6th day of May, 1974. Idem

(40) Section 31 shall be deemed to have come into force on the 7th day of May, 1974 and applies to exchanges of bonds occurring after the 6th day of May, 1974. Idem

(41) Section 33 shall be deemed to have come into force on the 8th day of April, 1975 and applies to amounts or property paid or payable after the 7th day of April, 1975. Idem

(42) Section 35 shall be deemed to have come into force on the 19th day of November, 1974 and applies to dividends deemed to have been paid after the 18th day of November, 1974. Idem

Idem

(43) Section 36 shall be deemed to have come into force on the 19th day of November, 1974 and applies to payments made after the 18th day of November, 1974.

Idem

(44) Section 38 shall be deemed to have come into force on the 7th day of May, 1974 and applies to dispositions of property occurring after the 6th day of May, 1974.

Idem

(45) Section 39, except subsection 3 of section 79*a* of the said Act, as enacted by section 39 of this Act, shall be deemed to have come into force on the 7th day of May, 1974 and applies with respect to transactions occurring after the 6th day of May, 1974.

Idem

(46) Subsection 3 of section 79*a* of the said Act, as enacted by section 39 of this Act, shall be deemed to have come into force on the 1st day of January, 1972 and applies to corporations in respect of all fiscal years ending after 1971.

Idem

(47) Section 40 shall be deemed to have come into force on the 7th day of May, 1974 and applies in respect of dispositions after the 6th day of May, 1974 by a person of shares of any class of the capital stock of a corporation in the course of a reorganization of the capital of the corporation.

Idem

(48) Subsections 1 and 3 of section 41 shall be deemed to have come into force on the 1st day of January, 1972 and apply to amalgamations occurring after 1971.

Idem

(49) Subsections 2 and 4 to 15 of section 41 shall be deemed to have come into force on the 7th day of May, 1974 and apply to amalgamations occurring after the 6th day of May, 1974, except that subsection 8 of section 81 of the said Act, as enacted by subsection 15 of section 41 of this Act, shall be deemed to have come into force on the 1st day of January, 1972 and applies in respect of mergers occurring after 1971.

Idem

(50) Subsections 1 to 7 of section 42 shall be deemed to have come into force on the 7th day of May, 1974 and apply in respect of any winding up occurring after the 6th day of May, 1974, except that subclauses i*a* and i*b* of clause *d* of subsection 1 of section 82 of the said Act, as enacted by subsection 3 of section 42 of this Act, are applicable for the purpose of computing the adjusted cost base of the property after February, 1975.

(51) Subsection 8 of section 42 shall be deemed to have come into force on the 1st day of January, 1972 and applies in respect of any winding-up occurring after 1971. Idem

(52) Subsection 2 of section 43 shall be deemed to have come into force on the 7th day of May, 1974 and applies for the purpose of computing the paid-up capital of a corporation at the end of its fiscal year ending in 1971 and at any time after the 6th day of May, 1974. Idem

(53) Subsections 3, 4 and 5 of section 43 shall be deemed to have come into force on the 7th day of May, 1974 and are applicable for the purpose of computing paid-up capital deficiency after the 6th day of May, 1974. Idem

(54) Subsection 6 of section 43 shall be deemed to have come into force on the 7th day of May, 1974 and is applicable in computing 1971 capital surplus on hand after the 6th day of May, 1974. Idem

(55) Subsection 7 of section 43 shall be deemed to have come into force on the 7th day of May, 1974 and is applicable in computing paid-up capital deficiency or 1971 capital surplus on hand after the 6th day of May, 1974, except that subsection 4 of section 83 of the said Act, as enacted by subsection 7 of section 43 of this Act, shall be deemed to have come into force on the 1st day of January, 1972 and applies to corporations in respect of all fiscal years ending after 1971. Idem

(56) Section 44 shall be deemed to have come into force on the 7th day of May, 1974 and is applicable for the purpose of computing the paid-up capital of a corporation at the end of its fiscal year ending in 1971 and at any time after the 6th day of May, 1974. Idem

(57) Subsection 1 of section 52 and section 53 shall come into force on the 1st day of January, 1976 and apply to corporations in respect of all fiscal years ending after 1975. Idem

(58) Subsections 3 and 4 of section 52 shall be deemed to have come into force on the 7th day of May, 1974 and apply to losses arising after the 6th day of May, 1974, except that subsection 4*a* of section 100 of the said Act, as enacted by subsection 3 of section 52 of this Act, is applicable for the purpose of determining the fair market value of a share after the 18th day of November, 1974. Idem

Idem

(59) Section 54 shall be deemed to have come into force at 3:00 o'clock in the afternoon on the 13th day of February, 1975 and applies to corporations in respect of all fiscal years ending after February 12th, 1975.

Idem

(60) Subsections 1, 2 and 4 of section 55 shall be deemed to have come into force on the 7th day of May, 1974.

Idem

(61) Section 57 shall be deemed to have come into force on the 8th day of April, 1975 and applies to corporations in respect of all fiscal years ending after the 7th day of April, 1975, except that with respect to the fiscal year that ends after the 7th day of April, 1975 and that includes that day, the following rules apply:

(*a*) determine the deduction under section 106*a* of the said Act as that section stood prior to the 8th day of April, 1975 that, but for the rules made applicable by this section, would be deductible by the corporation for that fiscal year on the assumption that that section was applicable to that fiscal year;

(*b*) determine the proportion of the amount determined under clause *a* that the number of days of the fiscal year prior to the 8th day of April, 1975 bears to the total number of days of the fiscal year;

(*c*) determine the deduction under section 106*a* of the said Act as amended by this Act that, but for the rules made applicable by this Part, would be deductible by the corporation for that fiscal year on the assumption that that section was applicable to that fiscal year.

(*d*) determine the proportion of the amount determined under clause *c* that the number of days of that fiscal year that follow the 7th day of April, 1975 bears to the total number of days of that fiscal year;

(*e*) determine the aggregate of the amounts determined under clauses *b* and *d* in respect of the corporation;

and the aggregate determined under clause *e* is the amount that is deductible by a corporation, under section 106*a* of the said Act as amended by this Act, for its fiscal year that ends after the 7th day of April, 1975 and that includes that day.

Idem

(62) Sections 64 and 65 shall come into force on the 1st day of August, 1975, and apply to corporations in respect of all fiscal years ending after the 31st day of July, 1975.

(63) Section 66 shall be deemed to have come into force on the 1st day of January, 1975. Idem

68. This Act may be cited as *The Corporations Tax Amendment Act, 1975*. Short title

An Act to amend
The Corporations Tax Act, 1972

1st Reading

April 7th, 1975

2nd Reading

April 24th, 1975

3rd Reading

THE HON. A. K. MEEN
Minister of Revenue

(Reprinted as amended by the Administration of Justice Committee)

1975

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Government Publications

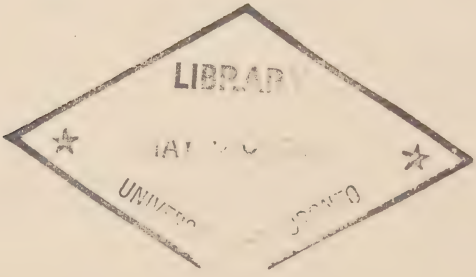
BILL 37

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to amend The Farm Products Marketing Act

THE HON. W. A. STEWART
Minister of Agriculture and Food



TORONTO
PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

BILL 37 **1975**

An Act to amend The Farm Products Marketing Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. *The Farm Products Marketing Act*, being chapter 162 of the Revised Statutes of Ontario, 1970, is amended by adding thereto the following section: s. 21*a*, enacted

21*a*.—(1) In this section, Interpretation

(*a*) "chicks-for-placement" means female chickens twenty weeks of age or less or any class thereof;

(*b*) "eggs" means eggs of a domestic hen other than hatching eggs;

(*c*) "fowl" means a domestic hen more than twenty weeks of age;

(*d*) "hatching eggs" means eggs of a domestic hen produced for the purpose of hatching into chicks;

(*e*) "local board" means The Ontario Egg Producers' Marketing Board;

(*f*) "producing" means,

(i) in the case of chicks-for-placement, the provision of housing, feed, water or care therefor and the preparation thereof for sale or for use as fowl, and

(ii) in the case of eggs and hatching eggs, the provision of housing, feed, water or care for the fowl that lay such eggs or hatching eggs and the preparation of the eggs or hatching eggs for sale or for hatching, as the case may be.

Regulations re chicks-for-placement, eggs, hatching eggs and fowl

(2) The Board may make regulations,

(*a*) notwithstanding paragraph 3 of subsection 1 of section 8, providing for the refusal to grant a licence for the producing of chicks-for-placement or eggs or hatching eggs for any reason that the Board considers proper;

(*b*) authorizing the local board,

(i) to require that chicks-for-placement be produced on a quota basis,

(ii) to prohibit any person to whom a quota has not been fixed and allotted for the producing of chicks-for-placement or whose quota has been cancelled from producing any chicks-for-placement,

(iii) to prohibit any person to whom a quota has been fixed and allotted for the producing of chicks-for-placement from producing any chicks-for-placement in excess of such quota, and

(iv) to prohibit any person from producing chicks-for-placement in premises other than premises in respect of which a quota for producing chicks-for-placement has been fixed and allotted to such person;

(*c*) authorizing the local board,

(i) to fix and allot to persons quotas for producing chicks-for-placement on such basis as the local board considers proper,

(ii) to refuse to fix and allot to any person a quota for producing chicks-for-placement for any reason that the local board considers proper,

(iii) to cancel or reduce, or refuse to increase, a quota fixed and allotted to any person for producing chicks-for-placement for any reason that the local board considers proper, and, without limiting the generality of the foregoing, to cancel or reduce any such quota as a penalty where the local board has reasonable grounds for belief that the person to

whom the quota was fixed and allotted has contravened any provision of this Act or the regulations, and

(iv) to permit any person to whom a quota has been fixed and allotted for the producing of chicks-for-placement to produce any chicks-for-placement in excess of such quota on such terms and conditions as the local board considers proper;

(*d*) authorizing the local board,

(i) to require that eggs be produced on a quota basis,

(ii) to prohibit any person to whom a quota has not been fixed and allotted for the producing of eggs or whose quota has been cancelled from producing any eggs,

(iii) to prohibit any person to whom a quota has been fixed and allotted for the producing of eggs from producing any eggs in excess of such quota, and

(iv) to prohibit any person from producing eggs in premises other than premises in respect of which a quota for producing eggs has been fixed and allotted to such person;

(*e*) authorizing the local board,

(i) to fix and allot to persons quotas for producing eggs on such basis as the local board considers proper,

(ii) to refuse to fix and allot to any person a quota for producing eggs for any reason that the local board considers proper,

(iii) to cancel or reduce, or refuse to increase, a quota fixed and allotted to any person for producing eggs for any reason that the local board considers proper, and, without limiting the generality of the foregoing, to cancel or reduce any such quota as a penalty where the local board has reasonable grounds for belief that the person to whom the quota was fixed and allotted has contravened any provision of this Act or the regulations, and

(iv) to permit any person to whom a quota has been fixed and allotted for the producing of eggs to produce any eggs in excess of such quota on such terms and conditions as the local board considers proper;

(*f*) authorizing the local board,

(i) to require that hatching eggs be produced on a quota basis,

(ii) to prohibit any person to whom a quota has not been fixed and allotted for the producing of hatching eggs or whose quota has been cancelled from producing any hatching eggs,

(iii) to prohibit any person to whom a quota has been fixed and allotted for the producing of hatching eggs from producing any hatching eggs in excess of such quota, and

(iv) to prohibit any person from producing hatching eggs in premises other than premises in respect of which a quota for producing hatching eggs has been fixed and allotted to such person;

(*g*) authorizing the local board,

(i) to fix and allot to persons quotas for producing hatching eggs on such basis as the local board considers proper,

(ii) to refuse to fix and allot to any person a quota for producing hatching eggs for any reason that the local board considers proper,

(iii) to cancel or reduce, or refuse to increase, a quota fixed and allotted to any person for producing hatching eggs for any reason that the local board considers proper, and, without limiting the generality of the foregoing, to cancel or reduce any such quota as a penalty where the local board has reasonable grounds for belief that the person to whom the quota was fixed and allotted has contravened any provision of this Act or the regulations, and

(iv) to permit any person to whom a quota has been fixed and allotted for the producing of

hatching eggs to produce any hatching eggs in excess of such quota on such terms and conditions as the local board considers proper;

(*h*) authorizing the local board,

(i) to require that fowl be possessed on a quota basis,

(ii) to prohibit any person to whom a quota has not been fixed and allotted for the possession of fowl or whose quota has been cancelled from possessing any fowl,

(iii) to prohibit any person to whom a quota has been fixed and allotted for possessing fowl from possessing any fowl in excess of such quota, and

(iv) to prohibit any person from possessing fowl in premises other than premises in respect of which a quota for possessing fowl has been fixed and allotted to such person;

(*i*) authorizing the local board,

(i) to fix and allot to persons quotas for possessing fowl on such basis as the local board considers proper,

(ii) to refuse to fix and allot to any person a quota for possessing fowl for any reason that the local board considers proper,

(iii) to cancel or reduce, or refuse to increase, a quota fixed and allotted to any person for possessing fowl for any reason that the local board considers proper, and, without limiting the generality of the foregoing, to cancel or reduce any such quota as a penalty where the local board has reasonable grounds for belief that the person to whom the quota was fixed and allotted has contravened any provision of this Act or the regulations, and

(iv) to permit any person to whom a quota has been fixed and allotted for possessing fowl to possess any fowl in excess of such quota on such terms and conditions as the local board considers proper.

Regulation may be limited

(3) Any regulation made under this section may be limited as to time and place.

Delegation of powers to local board

(4) The Board may delegate to the local board such of its powers under clause *a* of subsection 2 as it considers necessary and may at any time terminate such delegation.

Exercise of powers by local board

(5) Where the Board authorizes the local board to exercise any of the powers mentioned in subsection 2, the local board, in the exercise of such powers, may make regulations or orders or issue directions.

Actions of local board deemed to be administrative

(6) Everything that is done by the local board under the authority of clause *c*, *e*, *g* or *i* of subsection 2 shall be deemed to be of an administrative and not of a legislative nature.

Powers of search, inspection, etc.

(7) Every person appointed under clause *g* of subsection 1 of section 4 or under a regulation made thereunder may, without a warrant,

(*a*) stop, enter and search any vehicle;

(*b*) enter and search any premises, other than a dwelling; and

(*c*) open and inspect any package or container,

if he has reasonable grounds to believe that any of them contains any chicks-for-placement, eggs, hatching eggs or fowl in respect of which there is or has been a contravention of this Act or the regulations.

Exercise of power

(8) A person referred to in subsection 7 may use as much force as is necessary for him to exercise the powers conferred upon him by subsection 7.

Commencement

2. This Act comes into force on the day it receives Royal Assent.

Short title

3. This Act may be cited as *The Farm Products Marketing Amendment Act, 1975*.

An Act to amend
The Farm Products Marketing Act

1st Reading

April 8th, 1975

2nd Reading

April 17th, 1975

3rd Reading

April 17th, 1975

THE HON. W. A. STEWART
Minister of Agriculture and Food

1975

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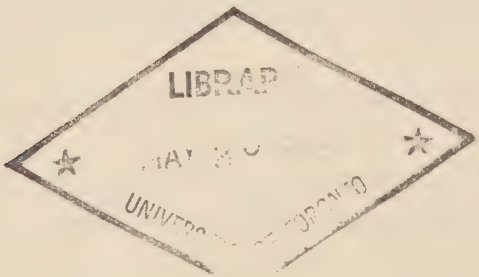
BILL 38

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to amend The Ministry of Culture and Recreation Act, 1974

THE HON. R. WELCH
Minister of Culture and Recreation



TORONTO
PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

BILL 38 **1975**

An Act to amend The Ministry of Culture and Recreation Act, 1974

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. *The Ministry of Culture and Recreation Act, 1974*, being chapter 120, is amended by adding thereto the following sections: ss. 8*a*-8*e*, enacted

Citizenship functions of Minister

8*a*. The Minister shall, on his own initiative and through co-operation with the ministers having charge of the ministries of the public service of Ontario, with the ministers having charge of the departments of the public service of Canada, with municipal councils, with school boards and boards of education, with other organizations and otherwise, in the cause of human betterment, advance and encourage the concept and ideal of full and equal citizenship among the residents of Ontario in order that all may exercise effectively the rights, powers and privileges and fulfil the obligations, duties and liabilities of citizens of Canada within the Province of Ontario.

Regulations, community programs, etc.

8*b*.—(1) The Lieutenant Governor in Council may make regulations,

(*a*) providing for programs with respect to adult education, culture, recreation, camping and physical education;

(*b*) governing the granting of municipal recreation directors' interim and permanent certificates and arena managers' certificates;

(*c*) authorizing,

(i) the council of a municipality or the council of the band to appoint a recreation committee

with the approval of the Minister, or the councils of two or more municipalities or the councils of two or more bands or the council of one or more municipalities and bands to appoint a joint recreation committee with the approval of the Minister,

(ii) recreation committees or joint recreation committees to appoint directors, assistants and secretaries,

(iii) joint recreation committees or recreation committees in municipalities or on reserves to appoint area recreation committees and area recreation directors,

(iv) two or more municipalities or bands to enter into agreements,

(v) where territory without municipal organization is within the jurisdiction of one board, the board to appoint, with the approval of the Minister, one or more recreation committees for such territory without municipal organization, and

(vi) where territory without municipal organization is within the jurisdiction of two boards, such boards or a board and the council of one or more bands to appoint, with the approval of the Minister, a joint recreation committee for such territory without municipal organization as may be agreed upon by the two boards or a board and the council of one or more bands, as the case may be,

for the purposes of programs of recreation, and adult education and, for the purposes of this clause, "band", "council of the band", and "reserve" have the same meaning as in the *Indian Act* (Canada) and "board" means a board as defined in *The Education Act, 1974*;

R.S.C. 1970. c. I-6
1974, c. 109

(*d*) prescribing the composition of recreation committees, joint recreation committees and area recreation committees, and fixing the number or maximum number of members thereof, for the purpose of programs of recreation;

(*e*) prescribing definitions of joint recreation program, joint recreation committee, municipal recreation

program, municipal recreation services, municipal recreation director, assistant municipal recreation director, recreation program, and recreation committee;

(*f*) prescribing a definition of "approved maintenance and operating costs" for the purpose of legislative grants for programs of recreation, and requiring that "approved maintenance and operating costs" be subject to the approval of the Minister;

(*g*) providing for the apportionment and distribution of moneys appropriated or raised by the Legislature for,

(i) programs of adult education, culture, recreation, camping and physical education, and

(ii) leadership training camps;

(*h*) prescribing the conditions governing the payment of grants for programs of adult education, culture, recreation, camping or physical education under the authority of the Minister, and providing for the approval of the Minister in any condition;

(*i*) authorizing the Minister to determine the number of assistants and area community programs in respect of which grants may be paid for programs of recreation;

(*j*) authorizing the payment, with the approval of the Minister, of special grants for programs of recreation, and fixing the amounts thereof.

Idem R.S.O. 1970, c. 410

(2) Any regulations made under this section and filed under *The Regulations Act* before the 30th day of June, 1975 may be made to apply retroactively to a date not earlier than the 1st day of January, 1975.

Leadership training camps

8*c*.—(1) The Minister may establish, maintain and conduct camps for leadership training.

Expenses

(2) The cost of the establishment, maintenance and conduct of leadership training camps shall be payable out of the moneys appropriated therefor by the Legislature.

Grants re programs of culture and recreation

8*d*. The Lieutenant Governor in Council or the Minister may, out of moneys appropriated therefor by the Legislature, direct payment from time to time of grants and contribu-

tions for consultation, research and evaluation services with respect to programs involving culture and recreation including community development services and for the provision, encouragement and development of community development programs and programs involving culture and recreation.

Agreements for the provision of programs

8*e*. The Minister may enter into agreements with organizations, municipalities or other persons or corporations respecting the provision of programs involving culture and recreation including community development programs and facilities and personnel relating thereto upon such terms and conditions as may be agreed, and he may direct, out of moneys appropriated by the Legislature, the payment of such expenditures as are necessary for such purposes.

Agreements

8*f*. The Minister, with the approval of the Lieutenant Governor in Council, may, on behalf of the Government of Ontario, make agreements with the Crown in right of Canada respecting,

(*a*) any matter for the administration of which the Minister is responsible; and

(*b*) the payment by Canada to Ontario of any portion of any expenditures made before or after this Act comes into force by Ontario or by any municipality under any Act of Ontario.

Interpretation

R.S.C. 1970, c. I-6

8*g*.—(1) In this section, "Indian" means a person who is registered as an Indian or entitled to be registered as an Indian under the *Indian Act* (Canada).

Advisory committee

(2) The Lieutenant Governor in Council may appoint an advisory committee composed of such number of persons as are considered appropriate to advise the Minister on all matters under this Act and to make recommendations to him from time to time respecting any other matter that may encourage Indians in the development of their independence and promote their integration with the rest of the community.

Reference to Minister

2.—(1) A reference to the Minister in subsection 1 of section 5 of *The Ministry of Colleges and Universities Act, 1971*, being chapter 66, with respect to the Art Gallery of Ontario and The Royal Ontario Museum shall be deemed to be a reference to the Minister of Culture and Recreation.

Idem

(2) A reference to the Minister in subsection 2 of the said section 5 shall be deemed to be a reference to the Minister of Culture and Recreation.

3.—(1) A reference to the Minister in clause *d* of section 4 of *The Ontario Universities Capital Aid Corporation Act*, being chapter 331 of the Revised Statutes of Ontario, 1970, shall be deemed to be a reference to the Minister of Culture and Recreation. Reference to Minister

(2) A reference to the Minister in subsection 4 of section 11 of the said Act shall be deemed to be a reference to the Minister of Culture and Recreation. Idem

4.—(1) Section 6*a* of *The Ministry of Community and Social Services Act*, being chapter 120 of the Revised Statutes of Ontario, 1970, as enacted by the Statutes of Ontario, 1972, chapter 1, section 19, is repealed. s. 6*a*, repealed

(2) Section 6*b* of the said Act, as enacted by the Statutes of Ontario, 1972, chapter 1, section 19 and amended by 1974, chapter 95, section 4, is repealed. s. 6*b*, repealed

(3) Section 6*c* of the said Act, as enacted by the Statutes of Ontario, 1972, chapter 1, section 19, is repealed. s. 6*c*, repealed

5. Section 4 of *The Indian Welfare Services Act*, being chapter 218 of the Revised Statutes of Ontario, 1970, is repealed. s. 4, repealed

6. This Act shall be deemed to have come into force on the 1st day of April, 1975. Commencement

7. This Act may be cited as *The Ministry of Culture and Recreation Amendment Act, 1975*. Short title

An Act to amend
The Ministry of Culture and
Recreation Act, 1974

1st Reading

April 8th, 1975

2nd Reading

April 29th, 1975

3rd Reading

April 29th, 1975

THE HON. R. WELCH
Minister of Culture and Recreation

1975

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BILL 39

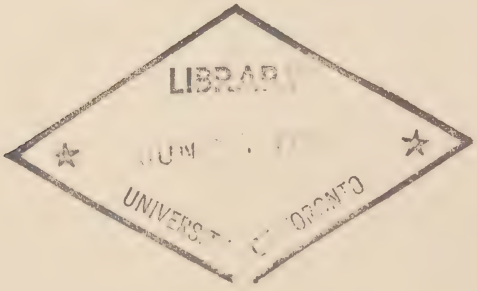
Government
Publications

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to amend The Ministry of Community and Social Services Act

THE HON. R. WELCH
Minister of Culture and Recreation



TORONTO
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BILL 39 **1975**

An Act to amend The Ministry of Community and Social Services Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 6*d* of *The Ministry of Community and Social Services Act*, being chapter 120 of the Revised Statutes of Ontario, 1970, as enacted by the Statutes of Ontario, 1972, chapter 56, section 2 and amended by 1972, chapter 149, section 1, is further amended by inserting after "services" in the sixth line "community services" and by striking out "community development services and other social" in the eighth line and inserting in lieu thereof "and other social or community". s. 6*d*, amended

2. This Act comes into force on the day it receives Royal Assent. Commencement

3. This Act may be cited as *The Ministry of Community and Social Services Amendment Act, 1975*. Short title

An Act to amend
The Ministry of Community and
Social Services Act

1st Reading

April 8th, 1975

2nd Reading

May 27th, 1975

3rd Reading

May 27th, 1975

THE HON. R. WELCH
Minister of Culture and Recreation

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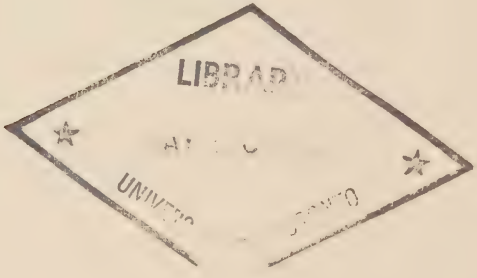
BILL 40

5TH SESSION, 29TH LEGISLATURE, ONTARIO
24 ELIZABETH II, 1975

Ontario. Legislative Assembly

An Act to provide for the Payment of Unconditional Grants

THE HON. W. D. MCKEOUGH
Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs



TORONTO
PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

BILL 40 **1975**

An Act to provide for the Payment of Unconditional Grants

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) In this Act, Interpretation

(*a*) "acres in the area municipality" means the area in acres of the municipality, excluding property held in trust for a band or body of Indians and land covered by water, as certified by the Assessment Commissioner or Assessor;

(*b*) "area municipality" means an area municipality as defined in any Act establishing a metropolitan, regional or district municipality and in *The County of Oxford Act, 1974*; 1974, c. 57

(*c*) "commercial assessment" means the total of,

(i) the assessment for real property that is used as a basis for computing business assessment including the assessment for real property that is rented and is occupied or used by the Crown in right of Canada, or any province or any board, commission, corporation, or other agency thereof, or by any municipal or regional corporation or local board thereof,

(ii) the business assessment, and

(iii) the assessment for mineral lands, railway lands, other than railway lands actually in use for residential and farming purposes, and pipelines,

according to the last revised assessment roll;

(*d*) "density" means the total number of residential properties in an area municipality divided by the acres in the area municipality correct to two places of decimals;

(*e*) "lower tier municipality" means a city, town, village, township or improvement district;

(*f*) "merged area" means a merged area as defined in an Act establishing a regional municipality;

(*g*) "Minister" means the Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs;

(*h*) "net levy" means the net general dollar levy as prescribed;

(*i*) "prescribed" means prescribed by the regulations under this Act;

(*j*) "regional municipality" means a metropolitan, regional or district municipality as defined in the Act establishing such a municipality and includes the County of Oxford;

(*k*) "residential property" means land separately assessed under paragraph 2 of subsection 2 of section 17 of *The Assessment Act* upon which there is a building used or intended to be used as a residence;

R.S.O. 1970, c. 32

(*l*) "upper tier municipality" means a county or regional municipality.

Population

(2) For the purposes of this Act, population shall be determined in the manner prescribed.

Repeals

2.—(1) The following are repealed:

1. *The Regional Municipal Grants Act*, being chapter 405 of the Revised Statutes of Ontario, 1970;

2. *The Regional Municipal Grants Amendment Act, 1971*, being chapter 73;

3. *The Regional Municipal Grants Amendment Act, 1972*, being chapter 64;

4. *The Regional Municipal Grants Amendment Act, 1973 (No. 1)*, being chapter 62;

5. *The Regional Municipal Grants Amendment Act, 1973* (*No. 2*), being chapter 160;

6. *The Regional Municipal Grants Amendment Act, 1974*, being chapter 24;

7. *The Municipal Unconditional Grants Act, 1974*, being chapter 25;

8. *The Municipal Unconditional Grants Amendment Act, 1974*, being chapter 127;

9. *The Property Tax Stabilization Act, 1973*, being chapter 73;

10. *The Property Tax Stabilization Amendment Act, 1974*, being chapter 23.

(2) Any reference in any other Act to an Act repealed under subsection 1 shall be deemed to be a reference to this Act. Reference in other Acts

3. In each year there shall be paid to each regional municipality a payment or payments in accordance with the population of the area municipalities within the regional municipality as follows: Per capita grants

1. $9 per capita.

2. An amount per capita in accordance with Schedule 1 based on the density of each area municipality.

3. $12 per capita where a regional municipality is deemed to be a city for the purposes of *The Police Act*. R.S.O. 1970, c. 351

4. $8 per capita based on the population of each area municipality providing its own law enforcement by maintaining its own police force or being under contract for the policing of the municipality by the Ontario Provincial Police Force in accordance with *The Police Act*.

4. In each year, the regional municipality shall credit each area municipality with an amount calculated by multiplying the population of the area municipality by the sum of, Credit to area municipalities

(*a*) $9;

(*b*) the per capita amount in relation to the area municipality in accordance with Schedule 1 based on the density of the area municipality;

(*c*) $12 where a regional municipality is deemed to be a city for the purposes of *The Police Act*; or

R.S.O. 1970, c. 351

(*d*) $8 in relation to each area municipality to which paragraph 4 of section 3 applies.

Interpretation

5.—(1) For the purposes of this section, "municipality" means a city, town, village, township or improvement district but does not include an area municipality.

Payments to municipalities

(2) In each year, payments shall be made to each municipality in accordance with the population of that municipality and Schedule 2 of this Act.

Idem

(3) In each year, payments of $8 per capita shall be made to each municipality providing its own law enforcement by maintaining its own police force, or being under contract for the policing of the municipality by the Ontario Provincial Police Force in accordance with *The Police Act*.

Interpretation

6.—(1) For the purposes of this section, "municipality" means a city, town, village, township, improvement district, county or regional municipality.

Minister may make grants or loans

(2) Where the Minister is satisfied that property taxes in a municipality may be unduly increased by reason of a substantial loss of revenue that had previously been available to a municipality as a result of,

(*a*) a change in legislation;

(*b*) an unforeseen commitment imposed on a municipality; or

(*c*) circumstances beyond the control of the municipal council and of an unusual or exceptional nature,

the Minister may, by order, make a grant or a loan to such municipality under such terms and conditions as the Minister considers necessary in the circumstances.

Payments to municipalities

(3) There shall be paid to each municipality set out in column 1 of Schedule 3,

(*a*) in the year 1975, the sum set opposite the name of the municipality in column 2; and

(*b*) in the year 1976, the sum, if any, set opposite the name of the municipality in column 3.

7.—(1) In this section, Interpretation

(*a*) "net county levy" means the amount required for county purposes including the sums required for any board, commission or other body, apportioned to each lower tier municipality by the county;

(*b*) "net lower tier levy" means the amount required for lower tier purposes under section 307 of *The Municipal Act* including the sums required for any board, commission or other body excluding school purposes and sums included in the net regional levy or net county levy; R.S.O. 1970, c. 284

(*c*) "net regional levy" means the amount required for general regional purposes including the sums required for any board, commission or other body but excluding school purposes apportioned to each area municipality and reduced by the amount credited to each area municipality under section 4;

(*d*) "rateable property" includes business and other assessment made under *The Assessment Act*; R.S.O. 1970, c. 32

(*e*) "residential and farm assessment" means the total assessment for real property according to the last revised assessment roll except the assessments for real property mentioned in subclauses i and iii of clause *c* of subsection 1 of section 1;

(*f*) "special lower tier levy" means an amount which is not included in the net lower tier levy, and excludes amounts required for school purposes and sums included in the net regional levy, net county levy and special regional levy;

(*g*) "special regional levy" means an amount apportioned by a regional municipality to one or more area municipalities that is not included in the net regional levy and excludes amounts required for school purposes.

(2) Each lower tier municipality shall levy, in accordance with subsection 3, separate rates as applicable on commercial assessment and on residential and farm assessment in each year in respect of the, Levy

(*a*) net regional levy;

(*b*) net county levy;

(*c*) net lower tier levy;

(*d*) special regional levy; and

(*e*) special lower tier levy.

Determination of rates

(3) The rates to be levied in each year for each separate levy specified in subsection 2,

(*a*) on residential and farm assessment shall be 85 per cent of the rates to be levied on commercial assessment; and

(*b*) on commercial assessment shall be determined by multiplying the amount required for each such levy by 1,000 and dividing the product by 85 per cent of the sum of the residential and farm assessment plus the commercial assessment.

Minister may make grants

(4) Where in 1975 in any lower tier municipality, the mill rates that would have been levied on residential and farm property for all purposes, other than school purposes, would increase more than 5 per cent over the mill rates which would have been levied on such property had the method of calculating such mill rates not changed, the Minister may, by order, make a grant to such municipality under such terms and conditions as the Minister considers necessary in the circumstances.

Apportionment among merged areas

(5) Notwithstanding subsection 2, the net regional levy and the net lower tier levy charged against the whole rateable property of an area municipality shall be apportioned among the merged areas of such area municipality in the proportion that the total equalized assessment of each merged area bears to the total equalized assessment of the area municipality both according to the last revised assessment roll as equalized by the Ministry of Revenue.

Determination of rates

(6) The rates to be levied in each merged area shall be determined in accordance with subsection 3.

Transitional grants

8. The Lieutenant Governor in Council may, to minimize changes in the incidence of local taxation and to promote the development of services on a regional basis, by order, upon such terms and conditions as he considers appropriate, provide for payments to be made,

(*a*) to The Regional Municipality of Niagara, The Regional Municipality of Ottawa-Carleton, The Regional Municipality of York, The District Municipality of Muskoka and to any area municipality therein for a period not exceeding five years from the 23rd day of July, 1971;

(*b*) to any other regional municipality or lower tier municipality affected by any amalgamation, annexation or change in the responsibility for the provision of services, for a period not exceeding five years after the effective date of such amalgamation, annexation or change in responsibility; and

(*c*) notwithstanding clause *a*, to the Township of Goulbourn, the Township of Rideau, and the Township of West Carleton for a period not exceeding five years from the 1st day of January, 1974.

Resource equalization grants

9. In each year there shall be paid a resource equalization grant to each lower tier municipality whose equalized assessment per capita in the preceding year is below $10,300, or such other amount as may be prescribed, in an amount based, in the manner prescribed, on the proportion that 60 per cent of such deficiency of equalized assessment per capita bears to $10,300 as applied to the net levy of the lower tier municipality.

Equalized assessment of lower tier municipality deemed increased

10.—(1) For the purposes of any general or special Act, the equalized assessment of a lower tier municipality shall for apportionment purposes, other than for school purposes or county purposes or for apportionment between merged areas, be increased by an amount that would have produced the amount of the resource equalization grant entitlement in the preceding year by the taxation of real property at the rate determined by dividing the total taxes levied for all purposes, other than school purposes, on commercial assessment in the preceding year, by the total equalized commercial assessment for the preceding year, times 1,000.

Exclusion of taxes added under R.S.O. 1970, c. 32, s. 43

(2) In determing the taxes levied on commercial assessment under subsection 1, there shall be excluded the taxes added to the collector's roll under section 43 of *The Assessment Act* and the assessment on which such taxes are levied.

Statement

(3) In each year, the clerk of every lower tier municipality that received a resource equalization grant in the preceding year shall provide, on or before the 1st day of April, to the upper tier municipality, a statement of the

amount of the resource equalization grant in respect of the preceding year and the amount to be added to the equalized assessment of the municipality under subsection 1, provided that in 1975, lower tier municipalities in the County of Oxford shall use the estimated 1975 resource equalization grant.

Ascription of resource equalization grants

11.—(1) The lower tier municipality shall, in each year, ascribe a portion of the resource equalization grant entitlement in that year to the upper tier municipality.

Determination of portion ascribed

(2) For the purposes of subsection 1, the portion shall be the ratio of taxes levied on commercial assessment in the preceding year for the upper tier municipality to the total taxes levied on commercial assessment in the preceding year for all purposes, other than school purposes, provided that for the County of Oxford in 1975, the ratio shall be determined using the estimated current year taxes.

Exclusion of taxes added under R.S.O. 1970, c. 32, s. 43

(3) In determining the taxes levied on commercial assessment under subsection 2, there shall be excluded taxes levied on such assessment added to the collector's roll under section 43 of *The Assessment Act*.

Amount ascribed to be deducted

12. The amount ascribed to the upper tier municipality under section 11 shall be deducted from the requisition of the upper tier municipality for the year and the net amount shall be the amount included in the levy of the lower tier municipality for purposes of section 302 of *The Municipal Act* and section 7 in each year.

R.S.O. 1970, c. 284

Preliminary apportionment

13.—(1) Notwithstanding section 10, a preliminary apportionment may be made in any year and an adjustment to the preliminary apportionment shall be made when the statement under subsection 3 of section 10 is received.

Idem

(2) In the case of the County of Oxford, a preliminary apportionment may be made in 1975 notwithstanding section 10 and an adjustment to that apportionment shall be made when the amount of the 1975 resource equalization grant entitlement for all area municipalities in the County is determined.

Equalized assessment of lower tier municipality deemed increased

14.—(1) In the case of the County of Oxford, in 1975, and for the purposes of section 10, the equalized assessment of a lower tier municipality shall for apportionment purposes, other than for school purposes or apportionment between merged areas, be increased by an amount that would have produced the amount of the resource equalization grant entitlement in 1975 by the taxation of real property

at the mill rate determined by dividing the total estimated taxes levied by the lower tier municipality in 1975 for all purposes other than school purposes on commercial assessment for 1975 by the total equalized commercial assessment for 1975, times 1,000.

Exclusion of taxes added under R.S.O. 1970, c. 32, s. 43

(2) In determining the taxes levied on commercial assessment under subsection 1, there shall be excluded the taxes added to the collector's roll under section 43 of *The Assessment Act* and the assessment on which such taxes are based.

General support grant

15. In each year there shall be paid a general support grant to each upper tier municipality and to each lower tier municipality in an amount equal to 6 per cent, or such other percentage as may be prescribed, of the net levy of the municipality.

Special support grant

16. In each year there shall be paid a special support grant of 15 per cent, or such other percentage as may be prescribed, of the net levy of each upper tier municipality and each lower tier municipality, to each such municipality that is situate in the northern part of Ontario.

Idem

17. In each year there shall be paid to the Township of Chisholm, the Improvement District of Cameron and any lower tier municipality situated in the Territorial District of Parry Sound, a special support grant of 7.5 per cent, or such other percentage as may be prescribed, of the net levy of such municipality.

Moneys

18. The moneys required for the purposes of this Act shall be paid out of the moneys appropriated therefor by the Legislature.

Regulations

19.—(1) The Lieutenant Governor in Council may make regulations,

(*a*) prescribing anything that in this Act may be prescribed by regulation;

(*b*) prescribing the conditions under which grants shall be made;

(*c*) prescribing the method of calculating grants made under this Act and the conditions attached thereto;

(*d*) prescribing the manner in which grants are to be made under this Act;

(*e*) prescribing the manner in which population is to be determined for the purposes of this Act;

(*f*) prescribing the forms and records to be used for the purposes of this Act or the regulations;

(*g*) prescribing the area that is to comprise the northern part of Ontario.

Regulations may be retroactive

(2) Regulations under subsection 1 may be made retroactive to a date not earlier than the 1st day of January, 1975.

Commencement

20. This Act shall be deemed to have come into force on the 1st day of January, 1975.

Short title

21. This Act may be cited as *The Ontario Unconditional Grants Act, 1975*.

SCHEDULE 1

Density	Amount Per Capita
0.15 and under	$5.00
Over 0.15 to 0.30	4.00
Over 0.30 to 0.45	3.00
Over 0.45 to 0.60	2.00
Over 0.60 to 0.75	1.00
Over 0.75	Nil

SCHEDULE 2

Population Range	Rate of Grant
0 — 5,000	$6.00 × (Pop.)
5,001 — 10,000	$ 30,000 + $6.40 × (Pop. over 5,000)
10,001 — 15,000	$ 62,000 + $6.60 × (Pop. over 10,000)
15,001 — 20,000	$ 95,000 + $6.80 × (Pop. over 15,000)
20,001 — 25,000	$ 129,000 + $7.00 × (Pop. over 20,000)
25,001 — 50,000	$ 164,000 + $7.20 × (Pop. over 25,000)
50,001 — 75,000	$ 344,000 + $7.40 × (Pop. over 50,000)
75,001 — 100,000	$ 529,000 + $7.60 × (Pop. over 75,000)
100,001 — 200,000	$ 719,000 + $7.80 × (Pop. over 100,000)
200,001 or more	$ 1,499,000 + $8.00 × (Pop. over 200,000)

SCHEDULE 3

Column 1	Column 2	Column 3
	$	$
County of Bruce	12,758.00	nil
Village of Hepworth	169.00	nil
Village of Lion's Head	303.00	nil
Town of Wiarton	1,075.00	nil
Town of Albemarle	1,352.00	nil
Township of Amabel	3,220.00	nil
Township of Eastnor	1,564.00	nil
Township of Lindsay	810.00	nil
Township of St. Edmund's	1,507.00	nil
Village of Havelock	2,020.00	nil
Village of Norwood	2,160.00	nil
Township of Burleigh and Anstruther	2,868.00	1,434.00
Township of Chandos	1,387.20	693.60
Township of Galway and Cavendish	2,749.20	1,374.60
Township of Harvey	4,995.60	2,497.80
Township of Asphodel	3,400.00	nil
Township of Belmont and Methuen	6,080.00	nil
Township of Dummer	4,610.00	nil
Town of Cache Bay	28.65	nil
Town of Sturgeon Falls	672.98	nil
Township of Caldwell	112.72	nil
Township of Field	41.37	nil
Township of Springer	144.00	nil
The Regional Municipality of Sudbury	173,200.00	nil
Town of Kenora	57,588.00	nil
Town of Sioux Lookout	14,850.00	nil
City of Thunder Bay	400.50	nil
County of Hastings	24,731.00	nil
Village of Hastings	1,700.00	nil
Improvement District of Beardmore	4,969.00	nil
United Counties of Prescott and Russell	1,058.93	nil

An Act to provide for the
Payment of Unconditional Grants

1st Reading

April 8th, 1975

2nd Reading

April 17th, 1975

3rd Reading

April 17th, 1975

THE HON. W. D. MCKEOUGH
Treasurer of Ontario and
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